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ROBERT FLEMING'S

MIDLAND BANK

Retail price stability cuts inflation to 11%

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THERE WAS no increase in retail prices between January and February. This is the first time this has happened for 12 years.

As a result, official figures showed yesterday that the annual inflation rate fell a full percentage point from 12 per cent to 11 per cent between the two months.

The chances now appear excellent that the inflation rate will resume the downward trend. This was reversed last summer, partly as a result of the fall in sterling earlier in 1981.

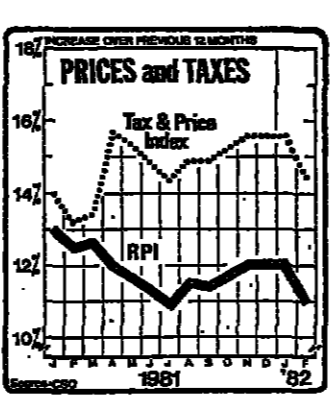
The year-on-year inflation rate is likely to come down further in March and April because the Budget measures added only 0.75 per cent to the Retail Price Index, compared with the 2 per cent which was added by last year.

The trend of manufacturers' wage costs, of the cost of supplies to industry and of factory-gate prices continue to be favourable to a reduction in the inflation rate.

The Retail Price Index for February stood at 310.7 (Jan 1974=100), almost the same as in January and 3.8 per cent higher than it was six months earlier. This was the best performance of the index since August 1970 when prices declined by 0.1 per cent.

The news was seen as an important boost to the Government's morale with the by-election at Hillhead, Glasgow due next week and following the disappointing figures for industrial production earlier in the week.

The Tax and Price Index, which measures the gross pay increase taxpayers would need in order to keep pace with inflation, stood at 162.4 in February (January 1972=100), which was 14.4 per cent higher than a year earlier. The TPI rose sharply as a result of the tax increases in the March 1981 Budget. Since there were



PRICES and TAXES

smaller tax increases in the last Budget, the annual rate of increases of this index should fall more nearly into line with the inflation rate in the coming months.

The Government and the Treasury are predicting that the annual rate of inflation will be brought down to single figures before the end of the year.

A fall in the inflation rate for the next few months is seen as an important factor in influencing trade union expectations in the present wage round.

So far, settlements have been averaging about 7 per cent according to information collected by the Confederation of British Industry.

Throughout the winter the inflation rate had remained steady at about 12 per cent, after rising slowly from 10.9 per cent in July. The Treasury consistently predicted that the rate would start to fall again in the early part of the year, but the extent of the reduction and the relatively good prospects during the spring have come as a great relief to Ministers.

A lower inflation rate is an important part of the Government's strategy for inducing a resumed growth in the economy.

Retail price table, Page 3

Edwardes fears being 'a handicap' to BL

By Kenneth Gooding, Motor Industry Correspondent

SIR MICHAEL EDWARDES, fresh from his battle over the replacement of Mr Harold Evans as editor of The Times, plans to freeze the cover price of the newspaper "for another four or five years" in an effort to make inroads into the circulation of the Daily Telegraph and the Guardian.

After announcing that the group's net loss was reduced, in 1981 to \$497m from \$535.5m, Mr. Michael dismissed his "highly visible" role at BL and the way the group's dealings with employees, the Government and other parts of the industry inevitably became personalised.

"From every point of view the man doing this job is the focus of love and hate and all sorts of emotions. You get to a point where the company would suffer if you stayed any longer."

"I would be a handicap to BL if I remained executive chairman for more than the five years. It would be detrimental to the company."

He said he would therefore give up the executive chairmanship when his \$100,000 contract expires at the end of this year, "even though I am still enjoying the job."

Sir Michael insisted: "I feel more optimistic about the company's future today than at any time in the past four years. I believe that the targets for break-even will be achieved and that the company will cease to be a burden on Government and taxpayers."

"This has always been the board's main objective and it is evident that we are making real and sustainable progress towards achieving it."

He indicated that the group was on course to reduce last year's trading loss of \$24.4m (down from \$293.9m in 1980) to \$143m this year; to break even at trading profit level in 1983; and to break even at pre-tax profit level in 1984.

BL would need no more Government funds apart from the \$990m already committed plus the \$150m it had indicated it would require. BL collected \$520m from the Government last year in exchange for new shares and will get a further \$420m in 1982. So far, none of this year's allocation has been drawn.

Continued on Back Page

Times' price frozen as Murdoch seeks to boost circulation

BY IAN HARGREAVES

MR RUPERT MURDOCH, fresh from his battle over the replacement of Mr Harold Evans as editor of The Times, plans to freeze the cover price of the newspaper "for another four or five years" in an effort to make inroads into the circulation of the Daily Telegraph and the Guardian.

Mr Murdoch, chairman of News International, the UK holding company, which owns The Times and other Fleet Street newspapers, plans to close the offices of The Times in Gray's Inn Road, moving staff to the nearby Sunday Times premises which Times Newspapers owns. He disclosed several other important elements in his plans for the ailing newspaper group.

Among these will be a joining of the advertising sales teams of The Times and the Sunday Times and early introduction of advanced technology printing equipment.

Mr Murdoch said Times Newspapers, which includes The Times, the Sunday Times and related publications, will lose \$13m excluding redundancy costs in the financial year which ends in June, but he forecast the group would be in profit within three years.

News International would just about break even this year following an expensive circulation war at The Sun.

Mr Murdoch's plans for the Times are likely to cause controversy. By holding his cover price at 20p, he will pressure the Guardian to hold its price at 20p. He also hopes to sit tight as the Daily Telegraph (now 18p) and the Daily Mail and Daily Express (both 17p) overtake the Times.

"I believe that the price of daily newspapers at any part of the market is extremely sensitive and we don't intend to change the price of the Times," he said.

The increase in the price of the Times from 15p to 20p in March 1980 had been the sole cause of a rapid drop in the paper's circulation shortly after it had been re-opened after being closed for 11 months.

A price freeze at a time of rising newsprint and wage costs is a big gamble. It will depend for its success on rising sales and on improving the Times' falling share of the advertising market.

Mr Murdoch mentioned possible long-term circulation goals of 750,000 to 1m, but said a more immediate objective was to break through 400,000 within three years.

"We could double our advertising revenue with 30 per cent more circulation." About two-thirds of the Times' revenue came from advertisements.

The other crucial part of the strategy, he said, would be to continue cutting costs.

The Times would save \$3m a year by moving from its existing leased offices on Gray's Inn Road into the nearby Sunday Times building, where space would be created by the change in printing techniques.

The 1,000 full-time agreed job cuts from the 3,200 when Mr Murdoch took over at the beginning of last year, plus a cut in casual staff working from 3,500 to 2,500 would save \$11m a year. The Times group's total costs are currently running at \$105m to \$110m a year.

Mr Murdoch refused to discuss in detail the reasons for his rift with Mr Evans, although he said that the former editor's spending levels had caused concern. "The main problems, he indicated, were alleged lack of consistency in editorial policy and Mr Evans' failure to sustain the confidence of his staff."

As for the question of The Times' independence, from Mr Murdoch's own conservative opinions, he said the newspaper "should remain above any party politics and be as impartial as possible."

Murdoch's long march, Page 14

Thatcher threatens block on EEC farm price rises

BY DAVID TONGE

MRS MARGARET THATCHER, the Prime Minister, yesterday issued a clear challenge to France, and Britain's other EEC partners, when she warned that she would block any increase in EEC farm prices until accord could be reached on limiting British contributions to the EEC's budget.

"If we do not get a satisfactory solution of the budget, then we could not possibly agree to a settlement on the Common Agricultural Policy," she said, adding that by this she meant prices.

Lord Carrington, the Foreign Secretary, had seemed in January to back away slightly from an earlier warning that Britain might use the regular annual price review as a weapon in its battle over the budget.

Mrs Thatcher was speaking at a news conference at Hatton House, Buckinghamshire, after a day's talks nearby at Chequers with Chancellor Schmidt of West Germany.

The talks ended with Britain winning some support from Herr Schmidt on the EEC's need to prevent another acute budgetary crisis arising. But he discounted suggestions of a once-and-for-all solution, which Britain is pressing for.

This year, Britain's net contribution to the EEC could reach \$622m.

The West German Chancellor also dashed any remaining hopes of a settlement of this, and the wider "mandate" discussions on EEC reform by Community foreign ministers at their meeting in Brussels next Tuesday, or by EEC heads of government at their summit on March 29 and 30.

On the contrary, he insisted on the need to avoid dramatising the budgetary debate, and for the EEC to deal with more grave world problems such as the effect of high U.S. interest rates and East-West relations.

It was the eleventh of the regular six-monthly West German-British summits. Apart from Community affairs, the two leaders also used it to prepare for the Western economic summit due at Versailles on June 4 to 6 and the Nato summit due in Bonn on June 10.

Herr Schmidt warned that the general disarray in fields such as oil prices, protectionism, and interest rates was "the deepest since after the war or the 1930s."

Mrs Thatcher described the atmosphere in the talks as "very successful and amicable" and at times even humorous.

Both leaders repeated their earlier condemnation of this week's announcement by Mr Brezhnev, the Soviet President, that he would stop deploying SS-20s—the intermediate range nuclear missiles pointed on Europe—west of the Urals. However, Herr Schmidt insisted that, if the Geneva negotiation on such missiles did not reach any concrete result by the end of 1983, the West would have to deploy its Pershing and Cruise missiles in West Europe.

Turning to the controversial Siberia-Europe gas pipeline, both said they were now convinced that the U.S. would not stop or delay this project.

They said that the EEC would like the Soviet Union to pay higher interest rates on Western official credits.

Stone-Platt attracts interest

BY RAY MAUGHAN

THE RECEIVERS of Stone-Platt Industries, the engineering and textile machinery group, said yesterday that "already many approaches have been made for significant parts of the business."

Two leading companies involved in railway and underground train equipment, Hawker Siddeley and Laird Group, are understood to have expressed interest in buying the whole or parts of Stone-Platt's electrical division. This takes in the railway air-conditioning operations at Crawley, Sussex.

Mr Bill Mackey and Mr Bill Roberts, the partners of Ernest and Whimsey who were appointed receivers on Thursday, said: "Negotiations which had previously been commenced by the company for the disposal of the textile machinery

business based in Lancashire, together with its overseas associated companies, are being continued."

Stone-Platt's agreement to sell the loss-making subsidiary Platt Saco Lowell to the U.S. textile machinery servicing group John D. Hollingsworth on Wheels for \$12.75m was a central factor in the group's proposals for a fresh injection of clearing bank and institutional finance.

These proposals were turned down by the four clearing banks concerned amid protests from the group's leading institutional shareholders, which indicated that they were prepared to put in further equity, but not until the autumn.

On the basis of the projections put forward by Stone-Platt to support its request for

new funding the transport interests made profits of \$3.4m before tax and interest last year, and were targeted to make \$5m on the same basis in 1982.

Gross capital employed in this division would have been \$15.1m by the end of this calendar year.

Hawker Siddeley has extensive interests in rail transport systems through its Westinghouse Brake and Signal subsidiary.

Transport systems provided about half Laird Group's pre-tax profits of \$12.62m in 1980, and its Metro-Cammell subsidiary has won orders worth over \$200m in recent years for the Hong Kong Mass Transit System contract on which it worked in conjunction with Stone-Platt.

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Table with columns for RISES and FALLS, listing various financial instruments and their price changes.

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OVERSEAS NEWS

Business appeal to Congress over Reagan deficits

BY DAVID LASCELLES IN NEW YORK

AMERICA'S TOP businessmen made an urgent appeal to Congress yesterday to reduce the huge deficits that loom in the Reagan Administration's budgets over the next few years...

Recession deeper than predicted

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. GROSS national product is declining at an annual rate of 4.5 per cent during the current quarter, according to preliminary estimates disclosed yesterday...

FTC chief urges curb in powers

BY OUR WASHINGTON CORRESPONDENT

THE CHAIRMAN of the U.S. Federal Trade Commission has urged Congress to restrict the powers of his own agency, which he says are "undefined and open-ended" in fields such as the control of advertising and anti-trust policy.

The budget forecast of 3 per cent growth between the fourth quarters of 1981 and 1982 looks increasingly unlikely to be realised. The Commerce Department also issued its final revision of the fourth quarter 1981 GNP figures...

Paris meeting fails to resolve steel dispute

BY TERRY DODSWORTH IN PARIS

A TWO-DAY meeting on trends in the international steel industry ended in Paris yesterday after making no significant progress towards resolving the row over EEC steel exports to the U.S.

According to Mr Hans Collander, the Swedish ambassador to the Organisation for Economic Co-operation and Development (OECD), the differences between the two sides were discussed openly during the meeting of the organisation's steel committee...

The steel committee, which was formed three years ago in an attempt to co-ordinate rationalisation of the industry in the 24-nation OECD area, provided a good forum for informal discussions, said Mr Collander.



Mrs Margaret Thatcher yesterday met West German Chancellor Helmut Schmidt at RAF Benson airport. At left is Frau Lohj Schmidt and at right, Lord Carrington, the Foreign Secretary. In Bonn yesterday the West German Foreign Minister, Herr Hans Dietrich Genscher, has renewed his call to East Germany to work for a balanced and verifiable disarmament accord between East and West.

Odds even on Naples traffic jams

By Rupert Cornwell, recently in Naples

NAPLES TODAY is playing host to an international conference on ways of handling big city traffic. Six months ago, that would have been comparable with Messina presiding over a debate on chastity. But not now.

Thanks to the simple device of allowing only cars with number plates ending with an even number on the roads one day, and odd ones the next, the place which has long embodied terminal urban collapse now has traffic which runs as smoothly, if not more so, than any European city of comparable size.

Not, of course, that it could have fallen much lower after the trauma of the November 1980 earthquake which brought Naples to breaking point. Nothing, though, has done more to foster the new mood than the traffic experiment brought in last December by Sig Riccardo Boccia, the Naples Prefect.

Amazingly, in a city not famed for its discipline, few have sought exemption from the scheme. None apart from taxi drivers and those working in vital public services—these have been granted it.

One reason for compliance is a system of on-the-spot fines for offenders of L80,000 (£35). Even so, as Sig Antonio Scippa, the councillor responsible for traffic points out: "We could have had a massive civil disobedience campaign which would have ruined the whole thing."

A referendum carried out by Il Mattino, the Naples daily, found 83 per cent of Neapolitans backed the restrictions. Even local traders, at first fearful of a slump in business, have come round to the idea. They have paid for advertisements backing the new pedestrian areas which have transformed busy shopping streets like Via Chiaia.

These include an average traffic flow of 12.5 mph, a rise to 15 mph, a bus service which functions, less petty crime as police can intervene more speedily—and a little less tension all round.

The number of bus passengers has increased by 55 per cent since January, as a journey which formerly needed an hour now takes 10 minutes. But people are also starting to rediscover the subtler pleasure of the city.

The town hall is mounting a campaign to reinstate the Strascio, the traditional long Easter Thursday walk. But the very success of the traffic scheme has created difficulties. It expires on April 30, and in the meantime Sig Scippa is trying to find some other measure—less draconian than the alternating ban to prevent a return to the bad old days.

Two giant car parks have been built on the outskirts, coupled with what amounts to a free bus link with the centre. Strict measures will be introduced to curb traffic at peak hours and in crowded districts, and the pedestrian precincts will stay. Naples now hopes that even the tourists, driven off by tales of disaster and discomfort, may be tempted back, too.

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Thailand ready for Kampuchea talks

BY KATHRYN DAVIES IN SINGAPORE

THAILAND HAS said it is ready for bilateral or multilateral discussions "at any level" which will bring about an internationally acceptable solution to the Kampuchean problem.

This new initiative represents a shift in policy by the front line states and comes amid signs that Vietnamese forces in western Kampuchea are preparing for a fresh assault against the Khmer Rouge.

The Thai Foreign Minister, Air Chief Marshal Siddhi Savetsila, told diplomatic heads of mission in Bangkok yesterday that his country would maintain "all possible flexibility" in order to elicit a "meaningful response" from Vietnam.

The Vietnamese are believed to have between 150,000 to 200,000 troops stationed in Kampuchea, while forces loyal to the ousted Khmer Rouge regime number around 30,000.

Mahathir's man to chair Malaysia's biggest bank

BY WONG SULONG IN KUALA LUMPUR

DR NAWAWI MAT AWIN, head of the economic bureau of Malaysia's ruling Umno party, is to take over as head of Bank Bumiputra, the country's largest bank. This completes the massive board changes in Malaysian banks ordered by the new political leadership.

From April, Dr Nawawi will replace Tan Sri Kamarul Ariffin as executive chairman, and the latter will also quit the bank's board.

The chairmanship at Malayan Banking and United Malayan Banking Corporation—the second and third biggest banks respectively—has also been changed. Three other smaller Government-controlled banks have also seen major board changes.

This restructuring flows from Dr Mahathir Mohamed's appointment as Prime Minister last July. Under his predecessor, Tun Hussein onn, the country's economy and financial affairs were handled largely by Tengku Razaleigh, the Finance Minister. He often by-passed Dr Mahathir, who on taking over, made it clear he wanted a direct interest in such matters.

Tengku Razaleigh's position was further undermined when he was defeated by Datuk Musa Hitam (since appointed Deputy Prime Minister) for the number two job in Umno last July.

Apart from wanting to see their own men in the financial sector, the Mahathir-Musica leadership sees banks as crucial in the achievement of the objectives of the New Economic Policy.

Dr Nawawi is a close political ally of Dr Mahathir, who also appointed him to the Umno Supreme Council—the top policy-making body in the country.

India jute strike fear

By P. C. Mahanti in Calcutta

JUTE trade unions claiming to represent over 7 per cent of a total workforce of 250,000 have called an indefinite strike from May 3.

The industry has rejected their demands for a 20 per cent bonus for new grades and scales of pay and for rationalisation of workloads. Only the Marxist-led union is hesitant at the moment to go along with the others for an all-out strike.

It also supports the position of West Bengal's Marxist state Government that the workers wage a campaign against the total nationalisation of the industry to avoid the damaging economic impact of an indefinite strike.

Palestinians in W. Bank protest

BY OUR TEL AVIV CORRESPONDENT

PALESTINIANS in the Israeli-occupied West Bank yesterday began a three-day general strike to protest against the dissolution of one of their two councils by Mr Ariel Sharon, Defence Minister.

Scattered demonstrations were reported, but the disturbances were mild compared with the unrest of the past two weeks.

Mr Sharon issued a statement on Thursday of Mayor Ibrahim Tawil of El Bireh and his town council. Other West Bank mayors say the dismissal could be the start of an Israeli campaign to unseat them all.

Mr Sharon said Mr Tawil had been engaging in extraneous political activity instead of concentrating on running local services. Mr Sharon, who has appointed a team of Israeli military and civilian administrators to take over El Bireh's affairs, said the Government "could not stand idly by as the council ignored its duties to the population."

The strike was backed by most of the pro-Palestine Liberation Organisation (PLO) mayors. The West Bank virtually shut down, but as Friday is a Muslim holiday the mayors must wait until today to see how much real support their call receives.

Crack U.S. troops for Mideast

BY DAVID LENNON IN TEL AVIV

HUNDREDS of U.S. paratroopers came running off the El Al passenger aircraft at Ophira airbase at the southern tip of the Sinai peninsula this week as troops from almost a dozen countries were hurried to the Middle East to set up a multi-national peace-keeping force.

Dressed in combat desert fatigues and wearing the peace-keeping force's terra-cotta coloured berets, 632 soldiers from the crack U.S. 82nd airborne division marched nine miles to their desert base. From there they will patrol the eastern Sinai which Israel is to hand over to Egypt next month.

The U.S. is providing the largest contingent of the 11 countries which have agreed to supply military units to monitor the observance of the peace treaty between Israel and Egypt. Washington had to set up the force itself after it became clear that the Soviet Union would veto any United Nations role connected with the Camp David agreements.

This is the first time such an international force has been assembled outside the auspices of the UN, and it is the first time that the U.S. has stationed any of its armed forces in the Middle East.

Pretoria plans to conscript coloureds

By Bernard Simon in Johannesburg

THE South African Government is likely to encounter strong opposition to proposals for a sweeping extension of military service including conscription of Indian and coloured (mixed race) men and white women.

A Defence Force spokesman said yesterday that draft legislation outlining the new call-up commitments will probably be published early next week. He declined to comment on details of the Bill, but reports indicate that the net of military service is to be cast far wider than at present.

The chief of the Defence Force, Gen Constand Viljoen, said earlier this year that "we must be able to call on sufficient manpower so that no area of South Africa will be vulnerable to attack." Guerrilla attacks on police stations, other Government offices, railway lines and power facilities have increased markedly over the past year.

The new Bill is understood to propose conscription of Indian and coloured men according to a ballot system. The measure is bound to provoke bitter opposition from these groups, who do not have the vote and are discriminated against in numerous other ways.

The Parliamentary Opposition has indicated that it will reject compulsory military service for non-whites. Military obligations for whites are also likely to be substantially increased.

Although the initial, full-time call-up period of two years will probably be unchanged, the number of days to be served after the initial period is likely to be at least doubled from the present 240 days over eight years.

According to Press reports, women will be liable for conscription while men up to the age of 60 will have to register with the Defence Force.

Several thousand supporters of Right-wing rebel Dr Andries Treurnicht are expected to attend a rally in Pretoria today at which a new political party is likely to be formally established.

Washington inquiry into El Salvador killings

BY OUR WASHINGTON STAFF

THE WHITE HOUSE yesterday deplored the deaths of four Dutch journalists who were killed by Government troops in El Salvador while reporting on guerrilla activities. The U.S. embassy in San Salvador will conduct its own investigation into the circumstances surrounding the killings, the Deputy White House Press Secretary, Mr Larry Speakes, told reporters.

In The Hague, the Dutch Government also announced that its embassy would make a detailed inquiry into the killings, which occurred during a 40-minute battle between Government troops and guerrillas, according to the authorities in El Salvador.

However, other journalists and friends of the Dutch newspaper in San Salvador have reported that the bodies showed multiple gunshot wounds at close quarters and signs of disfigurement. Only three guerrillas were killed in the battle.

A statement from the El Salvador Government, while "deeply lamenting" the deaths of the Dutch journalists, warned others against "exposing themselves imprudently while travelling to areas where there might be danger from the activities of subversives that are sponsored by international Communism in the country."

Buckley reassures allies

BY JOHN WYLES IN BRUSSELS

MR JAMES BUCKLEY, the U.S. Undersecretary of State, yesterday rounded off a tour of European capitals with an assurance that the U.S. is not trying to wage a campaign against East-West trade through a tighter credits policy towards the Soviet Union.

During a two hour meeting with Nato alliance representatives, Mr Buckley apparently left the impression that the U.S. would never try to organise subsidised export credits through the so-called OECD consensus was close to the top of the list.

Mr Buckley made no public comment yesterday but reports on his visit to other EEC capitals suggest that the Reagan Administration is being discouraged from pressing ahead on this front for the time being.

Foot and mouth threat to Danish meat exporters

BY HILARY BARNES IN COPENHAGEN

A NOUBREAK of foot and mouth disease in Denmark, confirmed earlier this week, is threatening the country's vital animal products exports, which last year accounted for 31 per cent of total exports.

Other Nordic countries have banned imports of Danish fresh food products and the U.S. is holding Danish products at the ports. Several other countries have asked for further information on the outbreak before deciding what action to take.

The outbreak is so far confined to a single herd of 66 dairy cattle on the island of Funen. The herd was destroyed shortly after the disease was confirmed.

The property has been isolated and disinfected and no movement of animals is being permitted from properties in the surrounding area. No milk exports from Funen are being permitted unless the milk has been subjected to high-temperature pasteurisation, said the Ministry.

Funen is off the East coast of Jutland at the entrance to the Baltic. It is linked to Zealand by ferry services across the Great Belt. Ministry officials say they have no idea what the source of the infection could be, but Dr Joergen Westergaard, the Government's senior veterinary inspector, thought the most likely cause was that the disease was borne on the air from the European continent where "there was a tremendous amount of vaccination" during March.

The last outbreak of foot and mouth in Denmark was in 1970. In the mid-1970s Japan accepted Denmark as a foot and mouth-free area, opening up the Japanese market for exports of Danish meat. In 1980 the U.S. declared Denmark foot and mouth-free, which prompted several other countries in South America and also Korea to follow suit.

Total exports of fresh meat from Denmark last year were valued at Kr 12.5bn (£265m), 11 per cent of merchandise exports, of which pigmeat accounted for Kr 9.4bn. Denmark's major markets for pig meat are the UK, which imported 330,000 tonnes last year, followed by West Germany, 106,000 tonnes; Japan, 78,000 tonnes, and the U.S., 48,000 tonnes.

After the 1970 outbreak Denmark carried out a compulsory vaccination programme, but this was discontinued five years ago. Ministry officials said it was too soon to say whether it would be reintroduced.

The UK Ministry of Agriculture said yesterday it did not see the Danish outbreak as a major problem and that Danish exports, which account for around 44 per cent of British sales, were not likely to be affected. The curing process kills the virus, it said.

Washington inquiry into El Salvador killings

BY OUR WASHINGTON STAFF

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Table with columns for bank names and interest rates. Includes A.B.N. Bank, Allied Irish Bank, American Express Bk, etc.

Lloyds Bank Home Loan Rate advertisement. Features a logo of a horse and rider. Text: 'Lloyds Bank Home Loan Rate With effect from the close of business on Thursday, 25th March 1982, Lloyds Bank Home Loan Rate will be reduced from 15% to 13.5% p.a. APR 14.2%'

UK NEWS

Dangers 'threatening' Protestant values fire the crusade of Pastor Jack

TRACES of the religious tension which tears at Northern Ireland also appear in the West of Scotland.

While many find the idea distasteful, a candidate's religion could shift a few votes on Thursday, in the Glasgow Hillhead by-election.

Mr Jerry Malone, the Conservative candidate, is a Roman Catholic and out of the complex social patterns of this part of Scotland, some people may hold this against him.

Mr Malone concedes that some people may vote against him because he is a Catholic.

But he says he backs the Government stance on Northern Ireland and has no sympathy for the IRA.

Northern Ireland's trouble has spilled over to Scotland in the past when E. Block campaigners were met by angry counter-demonstrators sympathising with the Unionists.

Mr Malone and his Labour, Social Democratic/Liberal Alliance and Scottish Nationalist opponents, say religion is definitely not an issue in this campaign. None has even seen



Mark Meredith looks at the Hillhead by-election candidate who is bringing religious issues into the campaign

from pornography and abortion and a decline in morals. He also warns of the threat of Roman Catholicism.

He is a thin man with dark eyes, a tidy small beard, and a ready smile. He wears a pastor's dog collar and insists his campaign is more spiritual than political. As such he has not attacked

Mr Malone for his religion and says it is the religion itself, not the man, he is worried about.

The menace of the visit to Glasgow in May of the Pope, or the anti-Christ as the Pastor calls him, is shouted from two battered stereo speakers roped to the doorway of the candidate's tatty grey Avenger as it tours the streets.

Pastor Jack finds little in common with the Orange Lodge, the traditional Protestant bastion of anti-Catholicism. The movement, he says, has fallen by the wayside, serving drinks on Sunday and has become more of a social club.

When we met, Pastor Jack had just returned from what was obviously a vigorous debate at Glasgow University's students union. The motion: Resolve that the Pope is welcome in Scotland. The Pastor had been defeated in the final ballot having spoken passionately against the motion.

This, however, only confirms his view that a disproportionate number of Catholic students held places at the university. He is also convinced that Catholics hold far too much power in Scotland.

They control the local council, he complains, and even the police chief is a Catholic.

Scotland has about 828,000 Catholics out of a population of 5m. Most of them came from Ireland in the 19th century and would consider themselves as Scottish as the next man.

In the west of Hillhead are the Scotstoun and Whiteinch working class areas near BL's Albion works and Yarrow shipyard. Here traditionally is a thin seam of Orange support.

And it may be particularly here, according to local politicians, that — should the voting margins be tight — some votes could go against Mr Malone.

SDP claims Jenkins's campaign is winning back support

BY PETER RIDDELL, POLITICAL EDITOR

SOCIAL DEMOCRATS yesterday were claiming that any earlier erosion of Mr Roy Jenkins's support in the Glasgow Hillhead by-election next Thursday had been checked and was being reversed.

Campaign managers for all the main contestants maintain that the result is likely to be very close between the SDP, Liberal Alliance, the Conservatives and Labour.

The evidence of opinion polls and of canvassed returns is conflicting and uncertain, partly because of the still large number of "don't-knows" and partly because of Scottish reticence.

In Mr Jenkins's camp there was confidence that the SDP campaign was gaining momentum. Mr Jenkins himself is said to have been rather depressed about his chances a week ago, but now appears optimistic.

One experienced aide said yesterday that second and third canvasses of uncommitted and don't-know voters had shown

some movement in favour of Mr Jenkins since Thursday.

The SDP campaign puts considerable emphasis on attracting former Labour voters. It began sending out a leaflet yesterday attacking the divisions in the Labour Party, and the activities of Left-wing groups, preaches the party draws comfort from the large and enthusiastic attendances at public meetings, and from a National Opinion Poll survey in yesterday's Daily Mail showing Mr Jenkins with 29 per cent of the vote, leading Labour, which has 23 per cent; the Tories 26; and the Scottish Nationalists 16.

A survey from the same firm last weekend showed Mr Jenkins in third place.

A Liberal with SDP support won a local council by-election in a nearby area.

In contrast, both Labour and Tory campaign managers claimed that their vote was holding up and that they were gaining converts from former Liberal voters reluctant to support Mr Jenkins.

All parties agree that there is a strong bedrock of committed Tory and Labour voters which does not appear to be shifting.

The major uncertainty remains the size of the vote for Mr George Leslie, the Scottish Nationalist, widely agreed to be waging an effective campaign.

All parties admit increasing signs that voters in the small constituency of less than 40,000 are becoming fed up with the saturation canvassing.

Liberals and Social Democrats yesterday won control of two more councils. At Penarth, near Cardiff, the SDP won five seats and Liberals three giving the Alliance control over the newly enlarged 16-seat community council.

At Cranleigh, Surrey, a Liberal gain from the Tories gave the Liberals effective control of the council. Liberals also gained two seats from Tories at Trafford and Cannock Chase.

Moves to widen plan for young jobless

By Alan Pike

ALTERNATIVE proposals to Training Scheme for the Government's new Youth employed school leavers are being considered by representatives of both sides of industry this weekend.

A Manpower Services Commission task group—drawn from trades unions, employers organisations, educational and voluntary bodies—is meeting at the Sunningdale Civil Service College to look at the new arrangements should operate.

The group's report, which will go to the MSC next month and then to Mr Norman Tebbit, Employment Secretary, will show fundamental differences from the proposals unveiled by the Government in December. Mr Tebbit's plan would offer year-long places on the Youth Training Scheme, which will combine work experience and further education, to all unemployed 16-year-old school-leavers from next year.

But the task group has already agreed that it is essential to design a scheme which minimises the difference between the employed and jobless. It will, therefore, propose that the new vocational training arrangements should be offered to all school-leavers. It has also agreed that the scheme will have to be run locally, with big companies and local authorities acting as sponsors and agents.

These basic decisions lead to some further, potentially controversial unresolved issues, which the group will tackle this weekend.

It has not been decided whether a training scheme for all young people should be offered as a voluntary alternative to going straight from school to work, or should be compulsory.

The latter would be the same as raising the school leaving age by a year and introduces questions about the status of young people on the scheme.

Members of the task group will try to decide whether young people on a training scheme available to all school-leavers should be regarded as normal employees or trainees. This links with the critical question of the level and nature of their pay.

One of the aspects of Mr Tebbit's proposals which has been criticised by trades unions and youth organisations is his intention to pay young people on the scheme allowances of about £15 per week. Some MSC officials believe that even within the Government's proposed spending limits on the Youth Training Scheme, it would be possible to raise this to £25—broadly in line with allowances of the Youth Opportunities Scheme.

But although this would reduce immediate objections, the very idea of allowances involves union leaders having to accept the possibility of lower starting rates than many young people—including those who go from school to apprenticeship—receive.

Senior MSC officials will tell members of the task group that despite the difficulty of resolving some of these issues, an agreed report must be produced. Otherwise, the commission expects that the Government will go ahead with its own proposals unamended and the vision of vocational preparation for all school-leavers, rather than just the unemployed, may be lost.

Brokers move against Lloyd's Bill

BY JOHN MOORE, CITY CORRESPONDENT

A MAJOR ATTACK has been launched on the Lloyd's Parliamentary Bill for improving the insurance market's self-regulation. Four of the most important groups are seeking changes to the legislation in the Lords.

These include the Association of Holding; Minet; and GE Heath have lodged a Parliamentary petition with the Lords. It seeks to remove a clause from the Bill requiring Lloyd's brokers to sell off their shareholding links with Lloyd's underwriting syndicates.

Another petition seeking the same change in the proposed legislation has been lodged by a group of underwriters and their agency companies.

Those supporting that petition are Andrew Drysdale Under-

writing; Cassidy Davis; Holmes Hayday (Underwriting Agencies); R. J. Klein and Co; Roberts and Hiscox; and Mr Ralph Rokeby-Johnson, an underwriter with R. W. Sturge who is petitioning in a personal capacity.

Other petitions have been lodged with the Lords for the last round of readings of the Bill. One seeks removal of a clause granting immunity to a new Lloyd's Council from suits for damages by any of the market's members.

Another, by an underwriting member, seeks removal of a clause categorising Lloyd's into working and external members, the latter providing the capital to allow the market to function.

The Commons committee was told of abuses which arose in the relationship.

The Lloyd's Bill is now threatened with extensive delay in the last round of the readings. There is a possibility that the Lords may agree to the proposed changes, in which case the Commons must draft a new Bill and submit it for approval to its 20,000 members.

The brokers oppose the forced sale of their underwriting interests, because of the loss of revenue. But the Commons insisted that the sales be made mandatory because of conflicts of interest between brokers, the buyers of insurance, and the underwriters, the sellers of insurance.

The Commons committee was told of abuses which arose in the relationship.

Newman likely to become Yard chief

BY MARGARET VAN HATTEN

SIR KENNETH NEWMAN, former Chief Constable of the Royal Ulster Constabulary, is expected to succeed Sir David McNea as Commissioner of the Metropolitan Police early next week.

Mr William Whitelaw, the Home Secretary, is understood to favour the appointment.

The choice of Sir Kenneth, 55, who won a reputation for toughness during his four years in Northern Ireland, could help silence the mounting criticism of Mr Whitelaw from Tory Right-wingers who appear to hold him responsible for the recent rise in violent street crime.

Sir Kenneth, a former Com-

mander at New Scotland Yard, was appointed to the RUC in 1973 and made Chief Constable in 1976. During his term he was closely identified with the Labour Government's "Ulsterisation" policy and was responsible for transforming the RUC into a highly efficient, well-equipped force.

As well as almost doubling the size of the force, he carried out considerable reorganisation, setting up regional crime squads and mobile support units and co-ordinating information-gathering in a direct onslaught on IRA activities.

His successes earned him great respect among the Unionist community, where he

was closely identified with the tough policies of Mr Roy Mason, the then Northern Ireland Secretary. He was distinctly less popular with the Catholic community which held him responsible for the alleged brutal treatment of suspects at the Castlereagh interrogation centre in Belfast.

Since leaving Northern Ireland in 1980 Sir Kenneth has been in charge of the Police Staff College in Bramshill.

Generally regarded as one of Britain's leading experts in the field of riot control, he was extensively consulted by the Home Office during last summer's riots.

BL denies price bias on car sales

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

UK CAR prices are not being held above those on the Continent simply to subsidise BL at the expense of the British buyer.

Mr Ray Horrocks, chairman of BL Cars, claimed yesterday. He insisted that Continental car prices were lower because of the strength of the pound compared with other European currencies and the higher UK inflation rate.

"Solely on the difference in exchange rates, a car which cost £3,000 in the UK and Belgium in 1977 would now have fallen

in Belgium to £2,200 without any intervention by the manufacturer and to £2,160 in France and £1,890 in Denmark."

Mr Horrocks said BL had held its price increases 10 per cent below the rate of inflation over the last two years through increased competitiveness. "We are roughly 50 per cent more efficient now than we were in 1977."

Part of BL's strategy was to keep prices below inflation and bring real prices down.

BL took the view that the operation of normal market forces in the UK and on the Continent could cause the price differentials to "narrow quite substantially over time and the apparent attractiveness of parallel imports to the UK will decline."

However, if the process was accelerated and prices forced down it would have serious consequences for the entire UK vehicle and components industry and a further severe contraction would occur.

Amex to offer £239 New York-London fare

By Arthur Sandles

THE TRANSATLANTIC fares war following Laker Airways' collapse, grew last night as American Express announced a £239 round-trip Advance Booking Charter (ABC) fare to New York from Gatwick—a fare which undercuts Jetset, the Associated Communications subsidiary, by £40.

American Express, which is chartering Pan Am wide-bodied jets for its operation, is also offering a £197 round-trip standby fare.

Amex last night said its basic normal fare was £53 cheaper than the scheduled service Super Apex fares being charged for London-New York at the same time. Its service will start on June 17 and the last eastbound run will be in October.

The highest ABC fare in the new programme is £275 for the round trip. Passengers will get free drinks, meals, films and stereo.

All major airlines on the London-New York route are now linked with cheap travel operators. Jetset is closely associated with British Airways, TWA with U.S.-based Travellers Jetways, and Pan Am with American Express.

ABC rules require passengers to book at least 21 days before leaving. The cheapest flights are usually available between 23 and 21 days before departure.

"Some commentators have been suggesting that the age of low-cost transatlantic travel is dead," said Mr Colin Collins, Amex director of travel products. "It is very much alive and kicking."

Cheap onward fares have been arranged to tie-in with trans-Atlantic flights. These mean that the extra cost of a flight to Los Angeles or San Francisco will be £83, to Miami £53 and to Detroit £33.

"This means that a London-Los Angeles weekend return flight with one stop each way in New York can be obtained in the peak summer months for £411, compared with £550 which scheduled carriers will be charging from May 1," American Express said.

The end of the Laker Skytrain service across the Atlantic has produced a rash of ABC services, indicating the willingness of the airlines and their agents to meet a continuing public demand for cheap travel on the route.

Few gains in China air talks

By Our World Trade Staff

BRITISH negotiators achieved little on behalf of British Airways in bilateral air talks with China, but did win small capacity gains for Cathay Pacific on flights between Hong Kong and China.

British and Chinese officials agreed that Cathay Pacific and CAAC, the Chinese national carrier, may increase flights between Hong Kong and Shanghai by up to 50 per cent between the May and October peak season.

The Department of Trade said yesterday the UK team at the Peking talks failed to win the right for British Airways to pick up passengers in Hong Kong and fly them to Peking or to board Hong Kong-bound passengers in Peking. British Airways serves Peking from London with a stopover in Hong Kong.

BP Oil threatens to buy more spot crude

BY SUE CAMERON

BP OIL is threatening to buy half its UK crude requirements on the comparatively cheap Rotterdam spot market in an apparent attempt to pressurise the Government into changing North Sea tax rules.

BP Oil yesterday said it is already buying 25 per cent of the 12m to 14m tonnes of oil it needs each year on the spot market where prices are between \$28 and \$29 a barrel. It is having to pay \$31 a barrel—the official North Sea selling price—for the 8m tonnes or so of crude that it buys from its parent, British Petroleum.

BP could knock two or three dollars off the price it charges its subsidiary—but because it is selling to a subsidiary it would still have to pay tax on the full \$31 a barrel. There is therefore little chance that it will bring the prices it charges BP Oil in line with those on the spot market.

Yesterday BP Oil warned that it probably would have to increase the amount of crude it buys on the spot market in order to cut its costs. This would mean it would buy less oil from BP.

BP Oil also hinted strongly

that this could lead to BP off-loading large amounts of extra crude to the British National Oil Corporation.

BP produces about 25m tonnes of oil a year from the North Sea. Half of this goes to BNOC under participation agreements—but at present BP buys the oil straight back from the corporation. Its contract to buy back the 12.75m tonnes each year comes up for renegotiation at the end of this year.

BP cannot sell as much of its North Sea crude to BP Oil it may therefore decide to reduce the amount it buys from BNOC. The corporation could then find itself with large amounts of crude on its hands which it would find difficult to sell to contract buyers at official prices—given the world surplus of oil.

BP Oil seems to be hoping that the threat to BNOC may force the Government to change the tax rules.

What it would clearly like is to be able to buy crude from its parent at spot market related prices—but with BP paying tax only on the actual price it charged and not on the official \$31 a barrel price.

CBI chief expects 'slight lift-off' in the economy

BY OUR BELFAST CORRESPONDENT

SIR Terence Beckett, director-general of the Confederation of British Industry, said yesterday that he saw "some slight lift-off" by the UK economy in the second half of this year.

Should the Budget lead to significant falls in interest rates, and industry keep cutting unit labour costs and improving efficiency, then we could at last look forward to a change for the better in 1982, he told CBI members in Belfast.

"I know I can say that for the first time in two years I now see much more hope of building our way out of the recession than before."

He said he based his views on signs of a modest upturn in investment and in exports in the second half of the year, coupled with lower oil prices.

Industry might not have got all it wanted from the Budget, but if it had been one which boosted consumer demand

through income tax cuts it would have been "a gift to our competitors" and would have done little for Britain.

The introduction of lorries of 40 tonnes maximum weight would cut industry's transport costs by up to 14 per cent, Sir Terence said. On current freight volumes it would give cost savings to industry, and eventually to the consumer, of about \$150m a year.

A typical saving would be £16m a year for ICI—12 per cent of its transport costs. British Steel would save about \$10m.

He believed that the fears of environmentalists were overstated. The Government's proposals provided not for bigger lorries but for heavier ones. Their introduction would mean that industry could probably carry existing loads with 10,000 fewer of the heavier vehicles.

Disparity in price rises

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE MOVEMENT of prices during the past 12 months shows a wide disparity, with very small increases in the prices of durable goods and clothing compared with sharp increases for tobacco and above-average increases in housing costs.

The latter reflects the high interest rates which have put up mortgage costs.

Nationalised industry prices are now rising very much in line with the general rate of inflation, which fell from 12 per cent in January to 11 per cent in February.

After the beginning of last year the annual rate of increase of nationalised industries' prices was well above the general inflation rate. This reflected in part the adjustment of nationalised industries prices to improve their return on capital.

Last month the largest increases were in prices for fuel and light, reflecting the phasing

Table with 2 columns: RETAIL PRICES, Annual percentage change to February 1982. Rows include All items (11), All items excluding food (11.2), Food (10.5), Seasonal food (25.5), Food excluding seasonal (8.1), Alcoholic drink (14.4), Tobacco (27.9), Housing (21.0), Fuel and light (13.7), Durable household goods (2.9), Clothing and footwear (1.1), Transport and vehicles (7.4), Miscellaneous goods (7.6), Services (12.3), Meals out (7.3), Nationalised industries (11.5).

out of the electricity discount scheme, but housing prices went down by 1.6 per cent as a result of the withdrawal of supplementary rate demands in London and the Midlands.

Government urged to take a tilt at windmills

By David Fishlock, Science Editor

THE GOVERNMENT should consider some risk of creating an industry building windmills in Britain and for export, Lord Inroside, treasurer of the all-party energy group of the House of Lords, said yesterday.

There was still a lot of engineering to be done and it was "not the sort of thing industry can readily finance," he added.

Lord Inroside, an executive of Northern Engineering Industries, was launching a study of wind energy produced by the British Wind Energy Association.

Plans of the Central Electricity Generating Board to build a cluster of modern windmills—or wind turbines—were important "because it gives industry, operators and government the sense that there is a sustained programme under way."

Industry, however, still has to say whether windmills are designed for export or home commercial use on-shore or off-shore, and whether the potential market could sustain a manufacturing base in Britain. The association says the UK is trailing five years behind the technological leaders, notably the U.S. and Sweden.

The association is also caught between establishing that modern windmill technology is proven and poised for a commercial debut, and asking for substantial finance from Government against the remaining risks.

Its study says the traditional windmill could do the work of 200 men. But plentiful energy discouraged the application of modern aerodynamic theory to windmills until the oil price increases of the 1970s.

The association believes that Britain—"one of the world's windier countries"—could get at least 20 per cent of its electrical needs from this source.

However, the study acknowledges wind power is capital-intensive, and that risks may lurk in the environmental intrusion of wind turbines, as a source of noise, scenic or television disturbance.

Wind energy for the Eighties, published by the British Wind Energy Association by Peter Peregrinus, £22.50.

Industrial link talks falter

By John Elliott, Industrial Editor

The Government made little progress in talks on industrial collaboration with Japanese Ministry of International Trade and Industry representatives, yesterday.

The talks, at the Industry Department, in London, formed the second official session of the Anglo-Japanese Industrial Co-operation Committee, set up last year.

Although several major British companies work with Japanese companies on specific advanced electronic projects, little progress has been made on a wider front.

The Japanese officials did however agree to try to solve problems which are hindering exchange secondments between Japanese and British engineers.

The Japan External Trade Organisation in London is planning a second conference to tell manufacturers how to move into Japanese markets. The first was held last year.

Proportion of output financed by public spending 'is near limit'

Max Wilkinson reviews a new book on the British economy

PUBLIC spending finances about as much of total output as is feasible, and this should be taken into account in any plan to reflate the economy, according to Sir Leo Pliatzky, former Permanent Secretary at the Department of Trade.

In a book called Getting and Spending published this week, Sir Leo says the proportion of output produced by public spending rose steadily from 33 per cent in 1959 to a peak of 45.6 per cent in 1975-76. It was severely cut to just under 40 per cent in 1977-78, but has been rising again, to reach 43.6 per cent in 1980-81.

The latest public expenditure White Paper, published after

the book was prepared, shows the trend has continued, with estimated public spending for 1981-82 projected to be 45 per cent of gross domestic product.

Sir Leo traces the history of public expenditure in a lively and highly personal style. The history and the issues that the raise are entwined with details of his own career from a humble post in the Ministry of Supply in 1947, through a period of controversy about pigeon food restriction and animal feed-stuffs to the heights of Treasury policymaking.

This style makes the book highly readable as well as giving fascinating insights into the personalities and procedures which

shaped spending policy in the last three decades.

Since the war, public spending has sometimes grown as a deliberate act of policy as when the Wilson government in 1964 was pledged to shift resources to the public sector.

Another example came when the Conservative government under the chancellorship of Mr Anthony Barber rapidly increased public spending in 1972 in the "dash for growth."

One of the main messages of Sir Leo's book, however, is that the rise in public spending has not always been intended by

politicians. The most recent example has been the inability of the present Government to reduce public spending as much as it would like because of the pressures of the recession.

He also traces the way the planning of public expenditure in constant survey prices or "funny money" has tended to result in a steady increase in the cash actually spent.

In addition, in the late 1960s and early 1970, unrealistic aspirations and targets for economic growth encouraged departments to overestimate

the resources available for public spending.

Sir Leo concludes that the practicable limit of public spending in the UK's market economy is probably about 40 per cent of GDP at a time of fairly full use of productive capacity.

Between 1964/65 and 1987/88 and again between 1971/72 and 1974/75, the proportion of GDP produced by public spending increased by about 6 per cent. Sir Leo says that although there can be no norm, experience suggests that these shifts were too rapid.

"At any rate both parties felt it necessary to promise to reduce taxation in their 1979 election manifestos. This suggests that something around 40 per cent would have been about right as a ceiling."

Although the choice between a low-expenditure strategy and a high-taxation strategy is ultimately a matter of value judgments "and of the kind of society we want to live in," Sir Leo says there are also "practical judgments to be made about the interaction between expenditure and taxation on the one hand and pro-

ductive capacity on the other.

"It would be self-defeating to pursue a high-expenditure strategy to the point at which the taxation and borrowing required to finance it depressed investment and output, or to pursue a low-taxation policy to the point at which essential industrial and social infrastructure could no longer be financed."

Sir Leo argues that whatever policy is agreed, public spending should not grow merely because of loss of control. He therefore welcomes the tightening of controls represented by the introduction of cash limits and more recently by cash planning.

Government's cash limits policies are largely mis-directed since cash limits are an instrument or method of carrying out policies, not the policies themselves," he says.

Arguing that it is difficult to see how the rate of inflation can be reduced while money expenditure grows fast, he cautions: "It is important also in any programme to get us out of the depression, not to adopt long-term expenditure measures which would build into the economy a ratio of public expenditure to GDP of 45 to 50 per cent on a continuing basis, even when the slack in the economy has been taken up."

Getting and Spending, by Leo Pliatzky, Blackwell, £12.

# LABOUR NEWS

# THE WEEK IN THE MARKETS -1

## Teachers plan half-day strikes to force pay dispute arbitration

BY IVO DAWNAY, LABOUR STAFF

LEADERS OF more than 350,000 teachers in England and Wales are to meet on Monday to plan a series of half-day strikes aimed at forcing employers to accept arbitration in the dispute over their claim for a 12 per cent pay rise.

Yesterday, officials of the National Union of Teachers and the National Association of Schoolmasters/Union of Women Teachers met at the TUC in London to discuss a response to the management's decision on Thursday to reject a call for independent arbitration.

The unions are proposing half-day strikes from March 29, hitting one of five regions in England and Wales each week. The strikes, which are likely to force the shutdown of schools, will be combined with an escalation of the ban on extra curricula activities, such as school meals supervision,

and a refusal to cover for teachers off sick.

Details of the strike plan will be discussed at a further meeting of the two unions in London on Monday.

The teachers are increasing the pressure on employers following the decision on Thursday of the management side of the Burnham committee—the teacher's negotiating forum—to refuse to accept arbitration until further talks are held.

Both sides are to meet again on Thursday next week in an attempt to find a new way out of the dispute.

But, so far, there seems little movement towards a settlement. In a joint statement released by the NUT and NAS/UWT yesterday, the unions deplored the "blind obduracy" of the management.

Mr Fred Jarvis, NUT general

secretary, said: "The local authorities are now bringing children into this dispute by refusing the peaceful and sensible way forward of arbitration."

The dispute has been further complicated by a disagreement within the management side over whether the teachers' call for arbitration should be agreed.

While the Labour-controlled Association of Metropolitan Authorities has backed the teachers, the Conservative-dominated Association of County Councils, backed by the Department of Education and Science, has opposed the move.

The NUT has, until now, exempted those authorities supporting a reference to arbitration. However, this exemption is now being withdrawn following the decision of the management side on Thursday.

## Strike may halt Tilbury docks

BY BRIAN GROOM, LABOUR STAFF

A PAY strike by the National Amalgamated Stevedores and Dockers Union (NASDU) may bring much of the Port of London's Tilbury Docks to a standstill next week.

The dispute has dismayed the loss-making Port of London Authority, which hopes it will not influence the Government's attitude towards aid.

The union called off a strike two weeks ago, for more talks at port level followed by arbitration by the National Joint Council for the Port Transport Industry. The results of this were rejected at a mass meeting yesterday.

The union represents only 400 of the 1,300 dockers involved in the pay talks, working

on non-containerised cargo under the "enclosed docks" agreement. But members of the dominant Transport and General Workers Union, which is holding merger talks with NASDU, may refuse to cross picket lines.

The TGWU is expected to hold a mass meeting of its own on Monday, which will probably be followed by a ballot. The new offer adds a small increase in tonnage bonuses to the previous offer of 5.5 per cent pay rises with a guaranteed minimum increase of £8 a week.

The dispute comes at a particularly sensitive time for the port authority, which is awaiting the Government's reply to its "action plan" for getting

out of the red by the end of this year.

The Government—when it announced a £200m increase in the aid limit for the two ports last year—demanded that both the PLA and the Mersey Docks and Harbour Company present ways of breaking even by the end of 1982.

The PLA's proposals, which are being kept secret, involve 700-800 more redundancies, including about 500 among registered dockers. These may be included in a new national voluntary severance scheme being discussed between the National Association of Port Employers and the Department of Employment.

## BP offers Grangemouth workers 7.5% rise

BY BRIAN GROOM, LABOUR STAFF

BP OFFERED a rise of 7.5 per cent on wages and allowances to 900 process and manual workers at its Grangemouth refinery in Scotland yesterday and made clear there was very little scope for improving it.

The offer was rejected by Transport and General Workers' Union negotiators, who have claimed 15 per cent increases. The union is intent on settling above the 7.5 per cent level achieved elsewhere in the oil industry, particularly since the breakdown of productivity talks which the process workers hoped would raise their earnings in relation to other groups.

The TGWU has also claimed a cut in the working week from 39 hours to 37. BP said this could be achieved only if the union gave up 36 jobs, which the union rejected.

BP gave a general warning that high pay increases could

lead to plant closures—a particularly sensitive point in the hard-hit UK refining sector, where unions fear more job losses following decisions to close BP's Isle of Grain and Burnham's Ellesmere Port facilities.

Mr Neil Boner, senior TGWU steward, said the company made clear that better efficiency was needed at Grangemouth and that jobs would have to go. "If they want a refinery as efficient as Esso's at Fawley, they will have to pay Esso wages," he said.

Mr Boner claimed that an ordinary process operator earned about £8,500 a year in basic pay and shift allowance at Grangemouth, compared with about £11,000 at Fawley. Pay talks are about to begin with 760 process workers at Fawley, where a claim is being submitted for substantial rises.

## Civil Service 'unfair to women'

By John Lloyd, Labour Editor

THE SECOND highest Civil Service trade union has accused the Government of discriminating against women civil servants, resulting in clustering of most women round the lower-paid grades.

The Society of Civil and Public Servants, representing executive grades, calls in a pamphlet for an "affirmative action policy" of the type introduced in the U.S.

It shows that women account for only 4 per cent of the most senior, "open-structure" grades, with none at permanent secretary, four at deputy secretary and 27 at under-secretary level.

At assistant secretary, senior principal and principal level, the percentage is only slightly higher, about 7 per cent.

Women account for between 70 and 80 per cent of clerical grades, and almost 100 per cent of secretarial grades, the lowest paid.

The pamphlet says that "following the introduction of equal pay in the Civil Service and the establishment of the Kemp-Jones Committee on women (which made a number of recommendations on improved working conditions for women in 1976), it was assumed that the Civil Service was an equal-opportunity employer."

"It has taken some time to recognise that, on the contrary, discrimination still exists in many conditions of employment—explicit and direct in some cases and indirectly in many others. The signs are clearly manifested in the employment structure."

The union calls for monitoring of distribution of men and women throughout the Civil Service; extension of the practice of flexible working to enable parents to care for children; and investigation of a "positive programme of job assignments to enhance career development for women."

Government anti-trade union proposals were attacked yesterday by women trade unionists at their conference in Bournemouth.

The new Employment Bill was "a vicious and savage attack on all workers in the country," said Mrs Margaret Morrison, of the Civil Service Union. The 280 delegates voted unanimously for a resolution against the proposals.

The Bill also described as "a guaranteed recipe for more disasters," by Miss Judith Hunt, of the Amalgamated Union of Engineering Workers Technical, Administrative and Supervisory Section. She said the proposals were a most severe attack on union organisation, and would take union rights back to the start of the century.

"Women, who are the least well-equipped and the most exploited, will be hardest hit by the Bill," she said.

An emergency motion condemned a change in abortion notification forms and pledged support for doctors who faced prosecution if they failed to comply with the restrictions.

## Hospital staff turn down 6.4% pay rise offer

BY IVO DAWNAY, LABOUR STAFF

UNION OFFICIALS representing more than 31,000 professional hospital staff have rejected a 6.4 per cent pay offer as "desertory and divisive."

The para-medical staff, which includes groups ranging from dieticians and physiotherapists, told the management at a meeting of the Whitley Council on Thursday that they are seeking a settlement in line with the rise in the cost of living, or about 12 per cent.

Mrs Elaine Harrison, national officer for the National and Local Government Officers' Association, which represents 25,000 professional health workers, dismissed the offer as "completely inadequate."

"The arguments put forward by the staff side have been completely ignored," she said. "Settlements elsewhere in the public sector have been much higher than this and there is no reason why health workers should be discriminated against."

The management offer, which includes the 6.4 per cent increase offered to all health service workers, has been supplemented by an additional allocation of funds for skilled medical staff made earlier this month.

Announcing an £81.8m boost to the Government's £8.5bn health service pay budget, Mr Norman Fowler, Social Services Secretary, said that the new cash had been made available to ensure that the service can recruit and retain trained staff needed for patient care.

Leaders of the nurses described a similar 6.4 per cent offer, made earlier this month, as "disappointing." However, they have yet to rule out a settlement.

Mr David Williams, the nurses' chief negotiator, said that he had received clear indications that the nurses are seeking a substantially higher offer. "I think it will come down to asking what form of industrial action they will be prepared to take," he said.

## Sogat holds new pay vote

BY OUR LABOUR STAFF

THE Society of Graphical and Allied Trades is to hold a new ballot of its 7,000 Fleet Street members after talks with the Newspaper Publishers' Association have failed to improve a 5 per cent pay offer.

The union has found itself out on a limb after members of the three other principal print unions accepted 5 per cent offers earlier this year.

In January, Sogat members, who cover distribution and warehouse duties, rejected the offer by a margin of about 2-to-1. But without the backing of other unions, the membership is now more likely to vote for acceptance.

Leaders of Sogat chapters (office branches) are to meet on Monday to hear a report from branch officials on the talks at

which the NPA warned that any further pay rise could threaten the future of several newspapers.

The ballot, which is to be held soon, will offer Sogat members the option of accepting the deal or taking industrial action. No recommendation is being made by the union's leadership.

Sogat officials originally recommended rejection of the 5 per cent offer and the pursuit of a 10 per cent claim, including an additional week's holiday.

Members of the Society of Lithographic Artists, Designers and Engravers accepted the offer in January. The National Society of Operative Printers, Graphical and Media Personnel and the National Graphical Association accepted last month.

## Taking market bearings

The market has had a lot of information to digest lately, and it has been making rather a meal of it. Some of the news is satisfactory; the retail price index has virtually stood still for a month, and year-on-year inflation is falling quite rapidly. But output indicators have been less hopeful—here and in the U.S.—and rising U.S. prime rates are a touch ominous.

Equities had a bit of a shock on Wednesday from Turner and Newall; the precipitous fall in T and N's shares helped to push the FT Industrial Ordinary Index down 11 points on the day. Given better news from GKN on Thursday, the market was able to show some resilience; the general level of prices scarcely changed over the week.

Stone-plant insolvency threw up sharp differences of view between the company's bankers and its institutional shareholders. Although desperately sad, the event was finally of little market significance.

The lack of a strong trend in the market does not mean that little is happening. Some large lines of stock were unloaded, as funds began to spring-clean their holdings.

### LONDON ONLOOKER

price cutting by competitors. Domestic losses exacerbated the ACT problem, while the slump in Zimbabwe mining activity was a particular drain on cash flow, with asbestos stocks mounting.

Heavy provisions were to be found below the line. Having shed 4,000 jobs in 1980, TN continued its retrenchment last year, with extraordinary closure costs of £19m, and a further £13m has been set aside for 1982.

The contraction has not released cash, however, and with net debt at £165m gearing rose 16 points to 81 per cent. Taking out the overseas businesses the figure would be around 75 per cent.

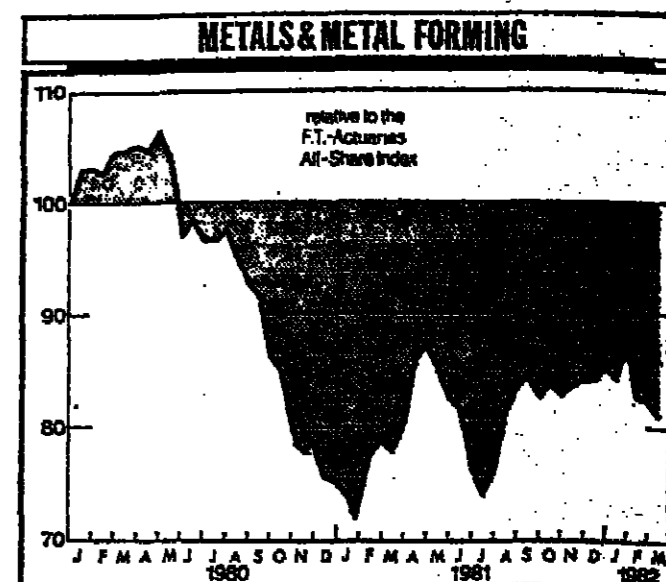
The radical surgery that the group has carried out has several times in the recent past encouraged it to make unjustifiably optimistic noises about future prospects. It is now thought that the domestic businesses are profitable at the trading level, and Chairman Mr Stephen Gibbs said on Wednesday that the group would be "getting back into a dividend-paying situation as soon as possible."

An analyst is now going for about £22m pre-tax profits this year, Sounds familiar.

GKN has still not experienced any recovery of demand in its principal business areas, so the improvement results almost wholly from the measures it has taken to reduce costs. Around £140m of annual wage costs have been cut out of the UK over the past two years and the revenue account is still bearing the short-term consequences. Redundancy costs took £11.7m above the line last year and, after another £25m for closures below the line, the maintained dividend was almost wholly uncovered.

The trading picture may not improve much in the current year. The U.S., which was looking a lot stronger in the final quarter of 1981, has been pulled down again by the recession in the U.S. motor industry. But, even without much help from restocking, GKN could roughly double 1981 profits this year.

But this is still a long way from the levels of a few years ago and GKN is having to be content with an uncomfortable level of debt. Net debt has not risen as a percentage of shareholders' funds over the past year (it remains around 50 per cent) but this is partly thanks to factors which will be unrepeatable in the current year. Properties have been revalued, working capital has been shaved to the bone and the deconsolidation of Allied Steel and Wire has removed £20m of debt. GKN is planning a capital spend of between £30m and £100m this year and a rights issue does not look too far off. Meanwhile, the shares yield about 7 per cent at 163p.



half that of 1979, the only way that they could see to prop up the cartel's prices in line with the official level of \$34 a barrel for Saudi market crude.

It is scarcely surprising—given this background—that recent figures from Royal Dutch/Shell and BP have been shrouded in more than the usual degree of reticence and ambiguity.

A week ago, Shell's statement dwelt on the group's balance sheet: "The financial position is considered to be strong," was Shell's comfortable pronouncement. Indeed, destocking over the second half of 1981 had boosted cash holdings up by a third to £2.9bn, leaving the group comparatively well placed in so weak a market.

For the year as a whole, net income was barely changed—at £1.51bn after stripping away the effects of stock and currency adjustments. Two-thirds of this profit was earned in the second half.

For BP, reporting on Monday, the 1981 trading profile was not too dissimilar. Things got better in the second half as North Sea earnings recovered from ENOC overpricing and the American majors lost their access to cheap Saudi crude.

Unlike Shell, BP made it clear enough that the trading improvement has not continued in 1982. Although BP is now in a strong position to buy crude well, it admits that the market's extreme weakness has gone far to nullify that advantage.

BP is also rather different when it comes to financial

strength. After a monster £800m rights issue, the group's gearing is much what it was a year ago. But current net income of £305m—down from £577m—falls some way short of covering the maintained dividend, and there is a heavy cash outflow. The weakness of BP's own operations is emphasised by the fact that Sotho, the American subsidiary is now contributing over half of net income.

GP also announced that it was selling its 30 per cent stake in Unifin, a U.S. money-broker and market data company. A few months ago, the fast-growing Unifin was said to be central to the group's strategy of expanding in the U.S., but the £181m cash proceeds and £82m book profit are obviously more useful at this point than a dividend investment that pays no dividend.

However, it now looks as if the worst is over. Provisions have been made for a further £30m or so of disposals which, when completed, should allow all central debt to be repaid.

**Services switch**

The news from Guinness that this week was almost all bad. The troubled commodities and banking group reported that it had tumbled into a £13.5m net loss in the first half of its year to April, 1982, mainly because of nearly £5m in losses on animal fats trading and provisions of £74m for various disposals. The interim dividend was passed.

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### Turner trips

The disappointment of the market at Turner and Newall's results can only have been exceeded by that of the shareholders at the side-effects. One analyst had been going for about £22m pre-tax profits this year, Sounds familiar.

### GKN relief

After two years of unprecedented hardship, it is a great relief to see GKN's shares and Netfields firmly back in profit, if only at the pre-tax level. After a marked improvement during the second half, pre-tax profits worked out at £24.6m for 1981, compared with a loss of £12.2m in the previous year.

### MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1981-82	1981-82	
	y'day	on week	High	Low	
F.T. Ind. Ord. Index	562.7	-4.2	597.3	446.0	Lack of buying incentive
F.T. Gold Mines Index	234.4	+14.8	429.0	289.2	U.S. bear closing
Amalgamated Dist. Prod.	82	+12	85	33 1/2	Persistent support
Associated Leisure	104	+17	148	75	£11m acquisition
BAT Inds.	410	-15	440	230	U.S. expansion plans
Barclays Bank	458 1/2	-15 1/2	512	370	Increased taxation fears
Barratt Devs.	267	-13	285	104	Profit-taking
Bond Corp.	80	-10	229	70	Proposed AS23m rights issue
Corah	45 1/2	+5	46	28	Encouraging statement
De La Rue	630	-55	795	605	Adverse comment
Gold Mines of Kalgoorli	195	+30	540	160	Vague bid rumours/bear closing
Guinness Peat	70	+7	123	55	Recovery hopes
Hawker Siddeley	304	-18	356	230	Canadian sub's poor results
Hurdley and Palmer	91	-21	114	46	T/O bid referred to M.C.
Johnson Group Cleaners	198	-14	257	152	Disappointing annual results
Liverpool Daily Post	161	+13	162	81	Annual results
Moray Firth	55	-20	117	55	Lack of support
NCC Energy	75	-25	142	72	Simplicity link-up delayed
Pilkington	268	-13	358	245	Shares overhanging market
Turner and Newall	70	-26	118	70	Final dividend passed

## Reaganomics under fire

NEW YORK PAUL BETTS

THE MARKET enjoyed a small rally on Thursday but no one in his right mind was prepared to say whether this was the beginning of a sustained rally or simply a technical blip. Even if the market does at last change gear, the question is will investors ride the rally or use it as an opportunity to sell.

The prevailing sentiment is still pessimistic. Discouragement and capitulation (the new Wall Street "in" word) remain in evidence. Fortfolio managers, as Smith Barney pointed out this week, are taking profits where they still exist almost regardless of fundamentals. The slightest piece of bad news in company performance expectations are causing stocks to plunge. This week it was Amco's turn after the computer company said earnings would be lower than last year for at least nine months of this year.

Smith Barney says the most obvious phenomenon in the current bear market is the weakness of some of the stronger stocks which had been holding up relatively well in recent months. The Wall Street firm described current investment strategy in terms of the old saying "When they raid the house, they take all the girls."

In a week when the shamrock and St Patrick were in great evidence in midtown Manhattan, down-town in Wall Street the market seemed to succumb to Murphy's law. Although inflation appears to be fading and even interest rates are beginning to look like an old issue, the feeling in Wall Street is that if anything can go wrong it will.

The real "bomb"—which in the Wall Street vernacular means a disaster of the worst possible kind—remains the President's Budget. The street, which only a year ago was so enthusiastic about Reaganomics, is becoming increasingly disillusioned. The American Stock Exchange released a survey last week of more than 400 in-

vestment bankers, brokers, securities analysts and corporate executives which showed that only 41 per cent of those questioned still approved of President Reagan's economic strategy. Last year, the same survey showed that 67 per cent approved of the President's handling of the economy.

Asked what was the most important issue facing the Reagan administration, 34 per cent of those surveyed chose Budget deficits, high interest rates and 11 per cent inflation.

As for Mr Arthur Levitt, chairman of the American Stock Exchange, he said the poll showed that while there isn't yet a run on Reaganomics, the signals have definitely changed from an enthusiastic buy to something between hold and sell. Mr Levitt said the President should consider tightening his budgetary policy and loosening monetary policy.

Despite the growing chorus of corporate executives and Wall Street bigwigs, normally pillars of Republicanism, begging the President to reconsider his tax cuts and his defence spending plans, Mr Reagan dashed out a firm rebuke and said he had no intention of budgeting from his Budget. He told the Manufacturers' Association on Thursday—"Let me be honest with you, I've been a little disappointed lately with some in the business community who have forgotten that feeding more dollars to Government is like feeding a stray pup. It just follows you home and sits on your doorstep asking for more."

But one can hardly blame the businessmen. The Commerce Department only yesterday reported that corporate after tax profits declined by 4.5 per cent last year and by 7.9 per cent in the final quarter to a \$145.2bn annual rate and if anything has clobbered stocks, it has been weak earnings and continued weak earnings expectations.

Some stocks, nonetheless, showed a little spark this week. The airlines got a lift from a report that domestic traffic in March would show a far bigger than anticipated increase over the same months last year with some analysts predicting as much as 10 to 12 per cent. But many were also quick to warn

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Monthly Income Shares	9.05%	to	12.93%
6 Month Term Shares	10.50%		15.00%
2 Year Term Shares	10.65%	(where income tax is payable at the basic rate of 30%)	15.21%
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THE M&G GROUP

## UNIT TRUST AND INSURANCE OFFERS

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WEEK IN THE MARKETS=2

FINANCE AND THE FAMILY

Reveille for a sleeping giant

BACK IN 1971 Australia's Pancontinental Mining was hot on the trail of one of the world's biggest and richest deposits of uranium in the remote East Alligator River region of the Northern Territory. Later that year the U.S. Getty Oil, scenting the potential of the early finds, took a 35 per cent stake in the project.

As I pointed out last week, if South Africa can halt the decline in the value of the rand against that of the U.S. dollar the impact of the fall in the dollar price of gold will be more severe on mine earnings.

Life is already tough for the higher cost, marginal, mines, Durban Deep and East Rand Proprietary having warned this week that they will probably drop out of the dividend list this year.

Gold is only a by-product in the case of South Africa's Consolidated Murchison which produces about 24 per cent of the western world's antimony, a metal used in electric batteries and flame-proof materials.

MINING

KENNETH MARSTON

In these years when the price of yellowcake went above \$40 per pound, the South African and other uranium producers made their fortunes. Pancontinental and Getty could only watch and wait while the opening up of their deposit — and those of others in Australia — was constantly frustrated by the procrastinations of politicians and environmentalists.

At long last, the Australian Government has given conditional approval for Jabluka to go ahead. Full agreement is required from the Aboriginal Authorities, but such an agreement was recently initiated and ownership of Jabluka will have to be 75 per cent Australian by the time commercial production begins.

Profits from by-product gold came to the rescue and the company came out with earnings of R4.65m (£2.48m) against only R1.49m in 1980. The dividend was doubled to 60 cents (32p).

His statement, however, was written on February 23 when gold was standing at \$361 per oz. In the light of its further fall since then and the increased capital spending scheduled for this year, prospects for a maintenance of the dividend do not seem too bright. Unless, of course, markets for gold or antimony recover.

Current spot prices for the material are now around only \$25 and the market looks like being in the doldrums for a long time yet. Pancontinental may still be able to secure the necessary long-term sales contracts at prices which will be profitable, bearing in mind the high ore grades and hoped-for reasonable working costs. But Jabluka will not be the money-spinner that it could have been a few years ago.

Gold continues to tease the sharemarket, the price bouncing up and down each day like a rubber ball. Many observers say that prices of gold shares have fallen too far in relation to the metal, but nobody can be sure that the fall in the latter has run its course. Caution thus seems to be still the watchword.

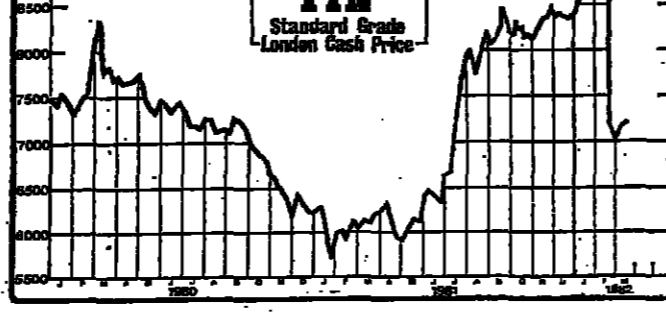
While the dust thrown up by the fall in De Beers' dividend has not yet settled the chairman of the diamond giant, Mr Harry Oppenheimer, has been giving some down to earth comments on the diamond market.

He has told South Africa's Financial Mail: "At the moment we are selling about the same

TIN OUTPUTS COMPARED

Table with columns: Country, 1982, 1981, Total to date (tonnes), Same period previous year (tonnes). Rows include Amal of Nigeria (tin), Amal of Nigeria (columbite), Aolcum, Ayer Hitam, Berjantai, CRM Sri Timah, Geovort, Gold and Base (tin), Gopeng, Kamunting, Kuala Kelias, Malayan, Pahang, Pangkajene, Petaling, Rahmah, St Piran—Far East, St Piran—UK (South Crofty), St Piran—Thailand, Sungai Besi, Tanjung, Tongkah Harbour, Trochok.

Figures include low-grade material. † Not yet available. Outputs are shown in metric tonnes of tin concentrates.



A discretionary trust

BY OUR LEGAL STAFF

The trustees of a discretionary trust with three trustees, two of whom are resident and domiciled abroad, desire, with the permission of the settlor, to appoint capital to a discretionary beneficiary resident and domiciled abroad, conditional upon the appointed beneficiary investing the funds within a company of which the shareholders may be some, but not necessarily all, the discretionary beneficiaries of the settlement as well as others who are not discretionary beneficiaries under the settlement.

to interest and the damage I have suffered? It seems from your enclosures that the Local Authority did answer the question as to the highway incorrectly, and would be liable for that, if the road is in fact a private street. Where liability is established you will be entitled to consequential damage including interest which you have to pay, if it is directly referable to the incorrect statement. Loss of interest is usually covered by an award of interest on the damages awarded. You should consult your solicitor for the full details.

my interest repayments on the mortgage allowable against tax? Under article XI(1) of the Belgium-UK double taxation convention of August 29 1967, the rate of UK tax on your interest cannot exceed 15 per cent—however, in practice it is likely to escape UK tax, by virtue of extraterritorial concession B13.

Resident in Belgium's tax

I am wholly employed in Belgium, where I have lived for four years and my earnings are not subject to UK income tax. I have recently bought a house in England and this is rented to tenants for £120 a month. There is a small home loan on the property outstanding of about £4,000. My only other income in the UK is interest from about £500 in each of a National Savings Investment Account and a clearing bank deposit account.

Some years ago my husband inherited some G.E.C. Unsecured Loan Stock due to be repaid December 1981. I returned the certificate, but the Company has refused to pay the amount due until they have a prior receipt for same. This my husband will not give as a principle. Is there any way this matter can be settled? My husband is an invalid and it would be very difficult for him to go to collect at the Registrar's Office. Your husband is perfectly correct in law, and he would be entitled to sue for his repayment. He might however resolve the matter by offering a prior receipt expressed to be conditional on the receipt and clearance of the company's cheque for the amount in question.

Consequential damage

I bought a plot of land with permission to erect two dwellings on it, my intention being to sell one. According to replies to the search made before it proceeded and confirmed by letter from the County Council (I enclose copies) the road abutting on the land had been adopted but it is now claimed by a person as his own land, and the Council have passed the matter to their insurers. Meantime, my bank overdraft with interest has risen to £33,000 and I cannot sell the second plot because of this dispute which has arisen. What please is my legal position, especially with regard

A deferred pension

I am a member of a company pension scheme and had a deferred pension. When current pensioners had their pensions increased I asked whether my deferred pension would be increased accordingly. Although the pension fund actuary reassured me, the company decided against, on the ground that the needs of current pensioners were greater.

they are properly administered? There is official surveillance of pension funds both by the Occupational Pensions Board and the Superannuation Fund Office of the Inland Revenue. A complaint by a member to the OPB backed up by prima facie evidence of maladministration would merit investigation by the OPB.

not exercise their discretion in favour of another class (e.g. deferred pensioners). You may personally disagree with the manner in which the trustees have exercised their discretionary powers but that is no ground for complaint. Rule changes are quite common and it is widespread practice where improvements are introduced to apply these improvements only to current members. Thus if you left the scheme as a deferred pensioner or on retirement before widows' pensions were introduced as standard you could not reasonably expect the company to backtrack and apply these improvements to all the former employees who had been in the scheme and left before the date of the relative improvement. You cannot complain that the trustees are not giving you something to which you would not in any case be entitled.

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# YOUR SAVINGS AND INVESTMENTS=1

So you want to run a building society? . . . Rosemary Burr reports

## Battle over a closed shop

DO YOU THINK you could help run one of Britain's building societies? If the answer is yes and you have some money invested with the society, you can toss your hat into the election ring. In practice, anyone doing so will find he has taken on the might and money of the existing board without even a gleam of success at the end of the election tunnel.

The season of building society annual general meetings is getting into full swing. The battle lines are being drawn up between the societies who feel they are doing a good job and some of their members who feel an injection of new blood would do wonders for business.

Ken Weetch, Labour MP for Ipswich, has been watching the pre-election limber-ups of would-be directors at three societies where an outsider is challenging the existing board for a directorship. He says: "The annual general meetings taking place at the Anglia, Nationwide, Liverpool and others are supposed to be democratic but in reality they are a complete farce."

"A careful examination will reveal that if an outsider tries to get elected the existing procedure will be used against him in a way aimed at keeping fresh blood off the board."

The odds on a challenger without board support getting a

Society	Assets (£bn)	No. of directors	Business interests of the 86 directors*
Abbey Nat.	£10.0	11	Banking and finance 26
Anglia	£2.2	10	Accountants, surveyors, lawyers 17
Chelsea	£0.28	6	Company director 14
Guardian	£0.46	6	Real estate 7
Halifax	£11.91	17	Insurance 4
Leeds Perm.	£3.5	9	Building and construction 4
Nationwide	£5.38	10	Printing and publishing 3
Provincial	£1.87	7	Beers, wines and spirits 2
Woolwich	£3.46	10	Transport services 2
Total	£39.06	86	Advertising 1
			Chemicals 1
			Distributive trades 1
			Metal industries 1
			Textiles 1
			Broadcasting 1
			Public services 1

\* Source—Directory of Directors and Building Society Year Book

seat are pretty thin. Twenty-five years ago Fred Bentley, the general manager of the Halifax, resigned and stood for re-election against the wishes of the board. He was voted back by the members. More recent candidates have been unsuccessful.

Let us say you decide to stand for election. The first thing you will probably want to do is get a list of members (voters) and canvass their support. In order to find out the members' names you will have to go to the Chief Registrar of Friendly Societies

and get his consent.

Having got the green light from the Registrar, you may now have to copy out by hand the list of members as the society is unlikely to be prepared to give you a computer print-out. The next step is to contact the members. You will find the society has the power to vet whatever you intend to write.

A major hurdle is finance. While outgoing directors have the support of the board and are financed by the members

(that includes you) outsiders have to find the money to back their campaign themselves.

Once the printing and posting of your manifesto is out of the way, you will shortly find a message from the board objecting to your article. This, too, is paid for by members, including you.

The date of the election is approaching. The venue is a long way from where you live and the meeting starts at 11 am, so you will have to spend a night away from home in order to attend. The list of candidates is not arranged alphabetically but the outgoing board members are bracketed together with outsiders listed beneath them.

Your supporters who are unable to attend the meeting must go to their local branch to get a special blank proxy form as the one the society has sent only lists existing directors who are certain to vote for one of their former board colleagues.

Drumming up interest in the proceedings is going to be difficult. Depending on the society recent votes have ranged from less than 1/2 per cent of members up to about 10 per cent. That means if you can attract enough media attention you may just have a hope of success. It's probably best to try and get on local radio or exist the aid of a supportive MP such as Ken Weetch.



## World Cup losers

Cards will be stolen, others will be lost and many will be used dishonestly by people who will disappear in the football crowds. Do not like talking about how much they lose, but estimates put the annual figure at more than \$1bn a year and growing.

SR EDUARDO MERIGO is a keen sportsman and has been tipped as a future sports minister for Spain. But he must be one of the few Spaniards not looking forward with much enthusiasm to this year's World Cup final in Madrid.

The reason is simple. Sr Merigo runs Spain's biggest credit card organisation, Visa Espana, and he knows full well that just as night follows day this summer's invasion of foreign tourists to watch the football, will coincide with a boom in credit card crime in Spain.

hilitive and the card companies were resigned to accepting losses that were growing as rapidly as their cardholder base.

However, Sr Merigo and his pals in the other credit card companies are beginning to fight back with the aid of electronics and are predicting that credit card crime will soon disappear almost as quickly as it appeared.

The key to their confidence is the introduction of point-of-sale dial terminals at the more important retailers which will authorise card transactions in future.

Visa which is better known in the UK as Barclaycard, is one of the front runners in the introduction of the new and sophisticated electronic technology to combat credit card crime. This week it announced that it was installing minicom-

puters in ten European countries which will be linked directly to the point of sale terminals.

A British tourist in Spain, for example, will pay by credit card which will be inserted in a terminal which will read the magnetic stripe on the back of a card and automatically dial the mini-computer to get permission to accept the card. The whole transaction takes only a few seconds and the card companies argue that it is near foolproof.

The only problem which still has to be solved is the cost. The new terminals (they look like glorified telephones) which are beginning to be marketed in the UK cost about £350 each. The banks argue that the retailers should pay whilst the latter say it is the banks' job.

William Hall

## How to be a pools winner

IF YOU are not convinced that the time is ripe to switch to a long-term investment, then money market funds may be the answer to your savings conundrum. These funds allow individuals to benefit from higher wholesale rates via a system of pooling.

Money market funds have proved tremendously popular in the U.S. as legislation there inhibits banks from paying depositors a realistic return. They have proved less attractive on this side of the Atlantic as British banks are not under similar constraints.

Anyone with £1,000 or more sitting idly in a bank deposit account or with a building society would, however, do well to consider a money market fund. The return on such funds is now three points higher than the rate offered by the clearing banks on seven day deposits.

Seven day deposits with the banks now attract between 10 per cent and 10 1/2 per cent gross compared to 13 per cent and

13 4/5 per cent on money market funds. Alongside last week's cut in mortgage rate, the building societies reduced the return to investors to 12.5 per cent gross.

There are two very similar types of funds available in the UK. The Tyndall Group, for instance, offer a money fund and a demand fund. The demand fund is a call deposit account which means the funds can be withdrawn at a day's notice. The rate is 1/2 per cent beneath wholesale money market rates and is quoted daily. The minimum deposit is £2,500 but this can later be reduced to £1,000. About £12m is invested with this fund.

More popular is Tyndall's money fund which requires a

minimum £2,500 on deposit. Money can be withdrawn at seven days' notice and a cheque-book is also provided free. Cheques can be written for amounts over £500. There are no bank charges. Tyndall will deduct seven days' interest from the date the cheque is presented, normally a few days after it is written.

The present interest rate is 13.5 per cent. Although not adjusted daily like the demand fund the rate is kept parallel to wholesale rates. Interest is paid quarterly. About £20m is deposited in the fund at present. Since, a subsidiary of Mercantile House, the financial services group, gives a similar service. The minimum deposit

for its seven day notice account is £1,000. The fund was set up in 1974 and now totals around £75m.

But no cheque book is provided and interest is paid half-yearly in March and September. The rates on the fund reflect the reinstatement of undistributed interest. The rate on seven day money is standing at 13.84 per cent compared with Tyndall's 13.5 per cent.

For those with at least £25,000 to play with, Simco's call fund is now giving a rate of 13.72 per cent. Most of the depositors are companies or agents such as solicitors or accountants.

Rosemary Burr

## You could be an April fool

AN OFFER you can afford to refuse: that is probably the best description of the new 24th issue of National Savings certificate which goes on sale on Monday April 19. The return will be 8.9 per cent after five years (free of tax which is the equivalent of 12.7 per cent gross to the standard rate taxpayer). The maximum holding is £2,500.

The return in the earlier years is much lower with investors getting 7.2 per cent in year one. If you believe the Treasury's figures then the return in the first year will be marginally below the inflation rate. If you think the Government is over-optimistic about inflation or that U.S. interest rates will rise pulling UK rates

up with them, then the return looks pretty poor.

In other words, you would be better off with an index-linked investment such as an indexed gilt or Grannys bond — savers can still buy the second index-linked National Savings issue which has a minimum 4 per cent bonus at the end of five years. The return on certain conven-

tional gilts also compares favourably.

Year	Value at year-end per £25 unit	Compound return %	Return %
One	26.80	7.2	7.2
Two	28.72	7.9	7.5
Three	31.44	8.7	7.9
Four	34.52	9.8	8.4
Five	38.32	11	8.9

# Nationwide in action



Nationwide is supporting the renovation of the Inkermann Barracks near Woking, Surrey in a development particularly aimed at first time buyers.

Nationwide is participating in schemes designed to give extra help to two big present day problems — first time buyers and inner city decay.

Over half Nationwide's lending now goes to first time buyers many of whom are on lower than average earnings.

Nationwide is also contributing to urban renewal programmes in the city centres of Liverpool, Manchester and Belfast, where housing improvements are urgently needed.

# It pays to decide Nationwide



## Annuitiies and gilts

NOW THAT index-linked gilts are available to everyone, the private investor has the means to build up a cash sum at a guaranteed real rate over inflation. If he does not want to buy those gilts direct, then life companies are offering index-linked gilt funds for linked life and pensions contracts. (But check on the charges eroding the return.)

However, the elderly investor does not want to build up a cash sum. He wants to convert his assets into income that will keep its real value against inflation. But the Government has given no indication of issuing index-linked annuities.

So what are the chances that life companies will market index-linked annuities offering income payments that will rise with the Retail Price Index. There are now four index linked gilts, with redemption dates from 1988 to 2011, to match against the liabilities.

Some life companies, notably Scottish Amicable and National Provident Institution, are giving this development serious consideration, but there are still some difficulties to overcome.

First, the four stocks will just about enable life companies to have the necessary portfolio spread to guarantee increases in line with the RPI to 2011. But they would feel happier if there were a longer-dated indexed gilt, and perhaps one or two others in between for a more even income payment spread. At present such an annuity could guarantee RPI increases for 29 years, that is until the age of 94 for a person now aged 65.

But a much bigger drawback is the low starting value of any index-linked annuity. On ordinary annuity contracts paying level monetary amounts each year, the actuary can assume at least a 14 per cent return in his calculations—the average return on conventional 10-year gilts. For index-linked annuities he can only assume a 2 or 3 per cent yield—the current real rate of return on index gilts.

This means that for a man of 65, £10,000 which currently buys a level annual income of around £1,900, would provide only a starting income at an annual rate of £320 assuming 3 per cent, or £380 assuming 3 per cent.

It should be obvious that income payments rising each year in line with the Retail Price Index will cost much more than the same initial payments that remain fixed in money terms.

Vanbrugh Life has been marketing index-linked gilt funds on its self-employed pension contracts since last April. The self-employed taking their pension have the choice of a level fixed payment or a pension linked to any one of their funds, including the index-linked gilt fund.

This latter fund will not exactly match RPI increases, since it reflects the price movement of the gilts. But over the long term, it should average out. The choice to a 65-year-old man per £10,000 cash is a fixed quarterly pension of £383, with payments guaranteed for five years, or a linked pension of £161 for the first payment, thereafter moving in line with the index fund.

To date about one in five persons taking the pension have opted for the lower-linked annuity, and no one has yet linked to the index-gilt fund.

Eric Short

**NEL BASE RATE**  
**13 1/2%**  
Rate of interest currently allocated to  
**NEL PENSIONS GUARANTEED GROWTH POLICIES**  
**13 1/2%**  
with effect from 15th March 1982  
National Employers Life Group

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Licensed by the Bank of England to take Deposits

# YOUR SAVINGS AND INVESTMENTS-2

John Makinson reports on the Tokyo market

## Land of the setting sun

THE FORCES of gravity may apply to Japan's economy after all. After two years of remarkable export-led growth, it is at last succumbing to the recession with which other industrial countries are only too familiar. For holders of Japanese equities, the impact has been dramatic.

Unit trusts specialising in Japan have headed the league tables in each of the past two years and two months ago it looked as if 1982 could produce a hat-trick. The Tokyo market had bounced back from the dark days of last autumn and was heading towards uncharted territory.

But, in early February, the market stalled and then nose-dived. On Tuesday of this week, Tokyo's Nikkei Dow Average sliced through the sensitive 7,000 level to its lowest point for 18 months.

Worse was to come. The market held up during the first hour's trading on Wednesday and then disintegrated. In one hour, 200 points were erased from the Nikkei-Dow. A

recovery set in during the afternoon, perhaps because of the official inspired support by the major securities houses. Trading was still very nervous at the end of the week. Yesterday, the Nikkei Dow closed at 7,065, 350 points above Wednesday's low point.

As in the market collapse of last autumn, it was difficult to pinpoint specific factors behind this sudden movement. Almost certainly, investors were waking up to the severity of the U.S. recession and the likely impact of growing trade pressures.

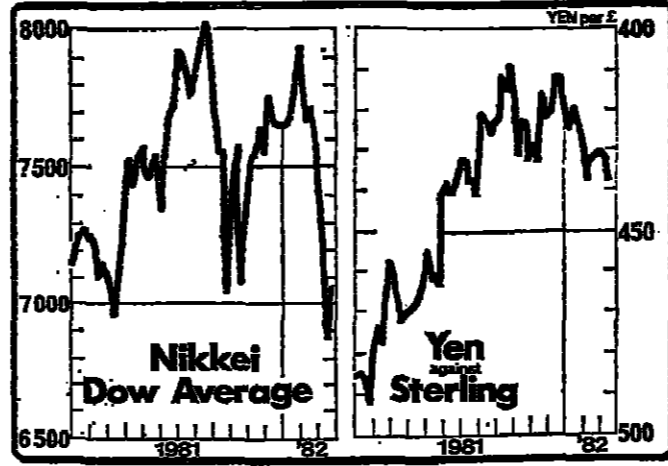
If evidence of this was needed, statistics provided it. This week, Japan reported a 0.9 per cent decline in gross domestic product for the last quarter of 1981, the first drop since early 1975, and the February retail sales figures, showing a growth of only 4 per cent year on year, underlined the stagnation in consumer spending. Major Japanese companies have been reporting dismal figures for the half year to December and little

better can be expected for the coming months.

For foreign investors, the problem has been compounded by the weakness of the yen. It has fallen about 10 per cent against the dollar since the end of last year and it is almost certainly only holding its current level of about ¥240 thanks to official support. Foreigners have been consistent net sellers of Japanese equities since the beginning of the year.

Some of the biggest share price falls have been recorded by the highly rated blue chip companies to which foreigners were attracted in 1980 and 1981. A benchmark stock is Hitachi, which recently issued 50m new shares in New York. Until Tuesday, the shares held above the ¥881 issue price, probably with some help from the underwriters. But then the support evaporated and the shares fell on Wednesday to a low of ¥500. The psychological impact on the rest of the Tokyo market was severe.

The problem has certainly not



been institutional liquidity. The cash flow of insurance companies and investment trusts is relatively strong and has helped to push the domestic bond market sharply higher over the past couple of weeks. But the end of the financial year is only a week away and institutions are reluctant to take up new positions in a falling market.

Much of the selling pressure has come from private investors who borrowed money to buy volatile stocks, such as Sumitomo Metal and Mining, early in the year. The securi-

Eric Short looks at a new way to repay your mortgage

## A home at sixty

WHEN IT comes to exploring new ideas in mortgage finance, the clearing banks have, so far, shown more powers of innovation than the building societies. This is clearly seen in the banks' development of facilities so that self-employed people may use their pension contracts, rather than an endowment policy, to repay the loan.

But the societies are now entering this field, either linking up with specific life companies, or prepared to accept pension contracts from a panel of life companies.

Alliance Building Society recently announced its entry into this field, the first major society to do so. Its scheme clearly highlights the tax advantages of using a pension contract to reduce the cost of repaying the mortgage—and also to provide higher benefits at the end of the period.

Alliance charges the usual interest rates for endowment mortgages of 1 per cent above the recommended rate, that is a rate of 14 per cent at present. Alliance still operates a differential mortgage system, and loans above £25,000 pay 14½ per cent on the excess.

Like the endowment method, the self-employed person pays interest only, during the term of the loan, and repays the mortgage from the cash commutation available when he decides to vest the contract and start drawing his pension.

Under a personal pension policy, the self-employed can take a pension at any time between their 60th and 75th birthdays, both days inclusive. They have the option, at the time of taking the pension, to convert part of that pension into a tax-free cash sum. It is this sum that Alliance envisages that the self-employed person will use to repay the mortgage, though he could use other funds for the purpose.

Thus the self-employed have considerable flexibility on the timing of taking their pensions, and Alliance has used this to

Man aged 35 takes out a £15,000 mortgage over 25 years, current interest rate 14 per cent, requiring gross monthly interest payments of £175, netted down at the appropriate tax rate.

REPAYMENT COSTS

(a) Low cost endowment—net monthly cost of £21.28 Irrespective of tax rate. Estimated cash surplus after 25 years £8,727\*.

(b) Personal Pension Plan:

Gross monthly premium	23.64
Life cover monthly premium	5.00
Total gross monthly premium	28.64
Net premium at 30% tax	20.05
at 45% tax	15.75
at 60% tax	11.46

Benefits at age 60 (after 25 years).

A cash sum of £2,750\* after repaying the mortgage.

Plus cash of £32,631\* which must be used to buy a pension (£5,465 per annum on current rates).

\* On current bonus rates.

employed man gets tax relief at his top rate on the pension contributions compared with half the basic rate on the endowment premiums. The effect is seen in the example provided by Sun Alliance Assurance, one of the life companies on the panel.

Since the pension contract only pays out the cash value of the policy on death before retirement, Alliance insists on the self-employed having a level term assurance to cover the mortgage. But the self-employed also get full tax relief on these premiums.

The size of the premium on the pension policy is calculated to be that which will produce the required cash sum to repay the mortgage on the conservative bonus assumption of 80 per cent of the current bonus rate of the life company. The same assumption is used in calculating the premium for the low cost endowment.

Personal pension policies cannot be assigned or cashed-in before retirement. So the only collateral under this scheme is the house itself. But Alliance asks the borrower to give a signed undertaking that he will use the cash from his self-employed pension policy or any other funds to repay the mortgage. This has no legal force whatever.

If the borrower ceases to be self-employed, he has to stop payments on his pension contract. Alliance would effectively refinance the mortgage if and when this happened.

Alliance is considering extending its scheme to include unlinked pension contracts. But here it envisages not only approving the life company, but checking out each individual contract in respect of the linking fund. It may be wary of taking a policy linked to an overseas or a specialist fund.

## When it's as easy to understand as APR



DO YOU know the real cost of your mortgage? Unless you are a wizard with a calculator and understand APRs—annual percentage rates—the likely answer is no. The situation is complicated by the fact that banks, but not building societies, now have to quote the true cost of their loans.

The Consumer Credit Act of 1974 introduced a formula for calculating interest rates charged to borrowers called the APR. Most institutions advertising loans now have to state

the APR. The building societies are exempt and few voluntarily give the true cost of mortgages.

In order to find your way through the maze of claims and counter-claims on mortgages some basic definitions are helpful. First, the flat rate. This is the one normally quoted and is sometimes referred to as the stated rate. The flat rate represents the amount of interest due as a percentage of the sum outstanding at the start of the year. Second, the APR. This is the amount of interest due as a per-

centage of the sum outstanding plus any fees charged by the lending institution.

A brief glance at the table will show how useful it is to calculate the APR. Why, you may wonder, is a mortgage from Lloyds at 13½ per cent flat cheaper than one from a building society at the same flat rate? This is because a building society charges you interest for the whole year on the amount outstanding on day one, whereas Lloyds works out the payments on a reducing balance. So in the last year of a

mortgage from a building society the APR will be roughly double the flat rate. The other factor which affects APRs is additional fees.

As the table shows if you are looking for an endowment mortgage it will pay to go to a bank (other than Barclays), as unlike the building societies, no premium rate will be charged on endowment mortgages.

The building societies say the premium on an endowment is necessary to compensate them for not getting repaid until the end of the life of the mortgage. So far no building society has moved to match the majority of the clearers and abolish the differential rate on endowment mortgages.

By the end of the year it looks as if APRs will have to be included in all credit agreements. This is one of three provisions of the Consumer Credit Act not yet in force. Dr Gerard Vaughan, the new minister for consumer affairs, this week announced plans to implement the remaining provisions of the act by 1982.

At this stage it is not clear whether there will be any emphasis on the rule about including APRs in credit agreements. There seems to be no sound reason for allowing building societies to wriggle out of this commitment.

Dr Vaughan said: "The true consumer interest is to have a good range of choice between competing goods and services... if consumers are to exercise choices satisfactorily they must have accurate, and equally important, comprehensible information."

The Government's principles are being flouted. There is a strong case for changing the rules and insisting that building societies include the true cost of borrowings in their advertisements nor should societies be excluded from the new provisions relating to credit agreements when these are introduced. If this is not done, then it will leave a serious gap in the provisions of the Consumer Credit Act.

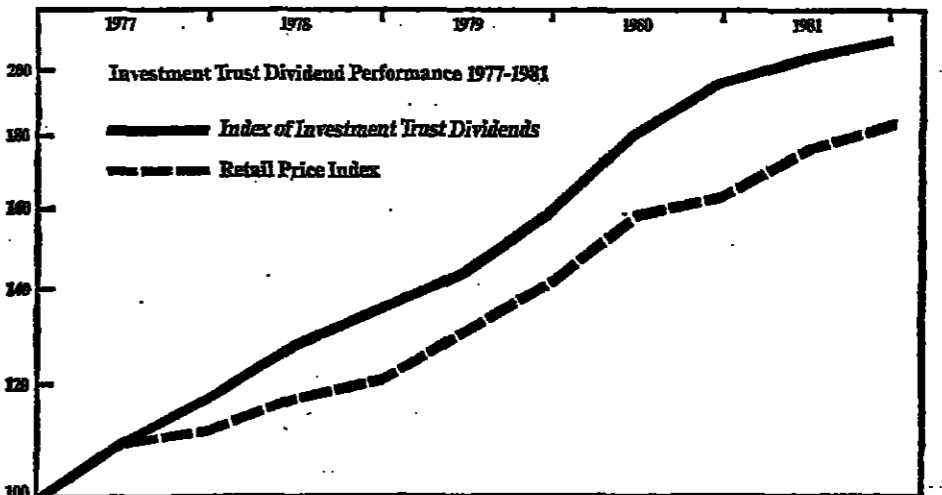
—The True Cost of Home Loans—

Flat Rate Per Cent	Fee	True Rate APR Per Cent	Date Effective	Extra Charges
Lloyds	None	14.2	26 March	None
Barclays	£50	14.5	1 April	+ 1% for endowments
Midland	£2 per £1,000	14.5 approx.	16 March	None
National Westminster	£50	14.5	16 March	None
Trustee Savings Bank	None	14.5	1 April	None
Typical Building Society	None	14.5	1 April	Various premiums for endowments and large loans

'I want you to raise your right hand, take the oath, and then tell me your APR.'

# Many have tried to help you to beat inflation. Investment Trusts succeeded.

If you're a private investor running hard not to be overtaken by inflation, you should consider the record of Investment Trusts. While past performance is not necessarily a guide to future achievement, the graph below shows that the rise in Investment Trust dividends over the 5 year period to the end of December 1981 was greater than the rise in the Retail Price Index.



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Management quality and entrepreneurial flair.

So the new Crescent Capital Fund, a UK fund investing in British companies, will concentrate on backing brains, those who have already proved that they can succeed. Quite literally it will be the fund that aims to back winners in business.

The sole objective of the fund is capital growth, and income will fluctuate from year to year. Investment will be in three categories of company:

- 1 New companies set up by entrepreneurs with a previous record of success.
- 2 Established companies which have introduced new management.
- 3 Companies with proven management which have utilised the recession to strengthen their organisation in order to create more rapid growth in the future.

## Invest with Crescent in the most advanced business equipment ever devised.

The identification of suitably gifted individuals is, you may think, a daunting task.

But it's a task we've been doing with marked success for many years in our international investment activities, as is borne out by the performance of Crescent American, Crescent International and Crescent Tokyo Funds in recent years, and by the award of the Observer Rosette for performance in 1981.

Investment is in the hands of Edinburgh Fund Managers, which has £220m. under management. We believe the Crescent Capital Fund offers investors a chance to get in on the ground floor of an exciting investment opportunity where their funds will be spread over a selection of companies at varying stages of development.

The fund is a long term investment and the price of units, and the income from them, may go down as well as up.

You can buy units in the fund either through your financial adviser, or by completing the coupon and returning it to us along with your remittance.

**GENERAL INFORMATION**

The minimum initial investment in Crescent Capital Fund is £500. Subsequent investments may be made in amounts of at least £50.

The price of units under this offer is 25p. After 29th March 1982 (or earlier at the Manager's discretion), the Fund will be valued and units may be purchased or sold back at prices calculated daily. Prices will be published daily in the Financial Times and other newspapers.

An initial charge of 5 per cent is included in the offer price. A half-yearly charge of 1% of one per cent (plus VAT) is made. On giving three months' notice, the Managers would be permitted to increase this charge up to 1% per cent. The Managers are entitled to a rounding adjustment to bid and offer prices of up to 1% or 1.5p, whichever is the less. (This does not apply to this first offer of units at 25p) Income net of basic rate tax is distributed yearly on 15th June. The first distribution will be on 15th June 1983. Investors may choose to have income automatically reinvested in further units.

The Managers are Crescent Unit Trust Managers Ltd. Members of the Unit Trust Association, The Trustee is The Royal Bank of Scotland plc. The Fund is a UK Authorised Unit Trust and a 'wide-range' investment under the Trustee Investments Act 1961.

Additional Information:

The Trust Deed contains a provision which permits the purchase and sale of currency at forward rates of exchange.

**First Offer of Units at 25p each until March 29th 1982**

To: Crescent Unit Trust Managers Ltd, 4 Melville Crescent, Edinburgh EH3 7JR. Tel. 031-226 4981. 031-226 3492 (Dealers). (Registered Office: registered in Scotland, no. 51269).

I/We wish to purchase units in Crescent Capital Fund to the value of £ \_\_\_\_\_

A cheque made payable to Crescent Unit Trust Managers Ltd. is enclosed (minimum £500).

I/We are over 18 years of age.

I/We would like distributions of income to be automatically reinvested. Unless this box is ticked income will be sent to you yearly.

Please tick this box for details of how to exchange an existing portfolio for units in the Fund.

Surname (Mr/Ms/Miss/Tyde) \_\_\_\_\_

Forenames in full \_\_\_\_\_

Address \_\_\_\_\_

(Payments and correspondence will be sent to this address unless you specify otherwise.)

Signature \_\_\_\_\_ Date \_\_\_\_\_

(In the case of joint applications all must sign on a separate sheet of paper.)

This offer is not open to residents of the Republic of Ireland.

Crescent Unit Trust Managers Limited.

### Cut-price units

IF YOU want to buy a cut-price unit trust you had better move fast. Two companies have just announced plans to pass on part of their commissions from the unit trust group to the customer.

All of which sounds good news to the investor but unfortunately there is a catch. Both companies, Charlotte House Financial Services and Investment Planning Analysis and Management (IPAM), emphasises it will be offering a simple brokerage service and not be giving overall financial advice.

You may think that is all right, but the Unit Trust Association has other ideas. Mark St Giles, the association's chairman, explains: "The marketing allowance is only available to those who offer investors a comprehensive financial service. If this is not done, then those companies will not be entitled to the marketing allowance."

At the moment most unit trust groups pay intermediaries a basic commission of 1½ per cent plus a marketing allowance of 1½ per cent. Charlotte House and IPAM propose to hand over part of this overall 3 per cent commission to the customer.

It now looks as if this initiative will fall flat on its face. Although IPAM, for example, was prepared to give a ½ per cent discount to investors choosing funds which do not pay a marketing allowance it made it clear that this was a "loss leader".

R.B.

PROPERTY

The Salop connection

BY JUNE FIELD

High the Vines of Shrewsbury gleam  
Islanded in Secern stream.  
A. E. Housman (1859-1936)  
The Welsh Marches.

OLD MOORE of Almanac fame, 17th century physician, astrologer and schoolmaster, was born in Bridgnorth (reputedly in one of the cave dwellings between High and Low Towns); Patrick Bronte, father of Charlotte, Emily, Anne and Richard, was curate of All Saints' Wellington in 1809, and Benjamin Disraeli was MP for Shrewsbury for six years from 1841. P. G. Wodehouse's Market Blandings has been identified as Buildwas, a mile or so up the Severn from Ironbridge, and Charles Darwin was born in Shrewsbury, and educated at the town's famous public school.

Those with Shropshire connections are varied folk, as is revealed in J. Dickens' *A Literary Guide to Shropshire*, a little booklet at the Shropshire Libraries.

"The traffic problem is a nightmare," noted Sir Nikolaus Pevsner of Shrewsbury, historic capital of Shropshire, in the 1958 *Shropshire* volume of *The Buildings of England*. It is not much better now, as I found on several recent visits, usually having to drive three times round the town before finding a parking space, joining in with what Sir Nikolaus referred to as the "smelly confusion of motor vehicles... (in) an exceedingly fine town."

But there is some hope for the future, with plans to build a multi-storey car park near the English Bridge. It is hoped it needs a Bill through Parliament to get the scheme off the ground, with disagreements already between county and borough councillors. Meanwhile Shrewsbury is a pleasing shopping centre, with numerous little antique galleries around narrow streets with evocative names like Grove Alley, and Butcher's Row, the latter with its Prince Rupert Hotel, named after the grandson of James II and nephew of Charles I, who became Governor of Wales, his headquarters at Jones' Mansion, now part of the hotel. The appeal of Shrewsbury was summed up by Charles Dickens when he stayed at the Lion, the old coaching inn now a Trusthouse Forte hotel: "From the windows I can look all downhill and slantwise at the crookedest black and white houses, all of many shapes..."

It was just over two years ago that I first wrote about the im-

pressive Grade II listed Royal Salop Infirmary in St Mary's Place by St Mary's Church being acquired for conversion into apartments: It was the town's main hospital until 1977. The building was opened in 1830, the architect recorded as E. Heycock, although Thomas Telford, then Surveyor to Salop County Council, claims some interest.

Pevsner has called it "a noble ambitious building, with its tall and broad ashlar-faced front, its virile Greek Doric portico with columns of two storeys height... its giant Doric angle pillars yet higher." He was not so keen however, on the later additions, referring to those on the river side as "presumptuous and forgetful of the town as a whole and its skyline," observing that they ruined the view of Shrewsbury from the river.

There is little cause for complaint now. The broad corridors balconies where patients' beds used to be wheeled out to reap the benefits of the fantastic view, have been cut back to present a more aesthetic appearance. For apartment owners there will be no loss of river-side panorama—from the fore-strengthened terraces I could still see over a whole sweep of the River Severn, the surrounding countryside, and the Wrekin, and almost right into the Shrewsbury Town football ground practically opposite at Gay Meadow.

The enterprising development, now known as The Court, of what will be some 30 apartments on three floors with a lift and a ramp for the disabled, with arcaded boutique-type shops planned underneath, is by local entrepreneur-conservationist Mr Bob Freeman. He has already earned two Civic Society awards, one for a canal-side conversion into a leisure centre, the other for one of the five 15th century timber-frame buildings in Wyle Cop near the Lion.

This latest project could cost around £1.1m in restoration works, and there is a great deal of work to do, hacking through walls over two feet thick, deep enough to hide the gas-fired central heating boiler units. The first six, good-sized apartments have been released for sale from £33,000 for one-bedroom, £42,000 for two bedrooms, £55,000 for three bedrooms. As the agents admit, perhaps the prices are top of the market for Shrewsbury, but there is nothing else comparable for quality and convenience in the area.

The imaginatively designed accommodation by architects Arroll and Snell includes smart galley kitchens, well-fitted with cooker, refrigerator and freezer. My only criticism is that with the larger apartments, a separate toilet, or even a second bathroom, would have been sensible. For a brochure contact Mr Alan Daborn, John German Ralph Pay, 43 High Street, Shrewsbury (0743 69661), or Hall Wateridge and Owen, 2 The Square, Shrewsbury (0743 57074). An elegant show-apartment can be seen by appointment.

Hall, Wateridge and Owen are also agents for another imaginative town centre restoration in Hills Lane, Shrewsbury, undertaken by Frank Galliers, with architects Eaton, Manning and Wilson. A terrace of nine Georgian three-storey two bedroom town houses are being restored and sold freehold at £24,850.

Frank Galliers is also building two bedroom bungalows with garage and gas-fired central heating at Myton Oak Farm. The showhouse is open weekdays 9-4.30, Saturdays and Sundays 2.30-4.30. Details Cooper and Green, 3 Barker Street, Shrewsbury (0743 50081). And at College Fields, Radbrook, on the south-western outskirts of Shrewsbury, Second City Developments is building three bedroom detached houses at £24,950 and two bedroom semis at £17,850. Site sales office open every Saturday and Sunday between 2.30 and 3.30, or details from John German Ralph Pay, and Barker and Son, 12 Shoplatch, Shrewsbury.

Mr Daborn, partner in charge of John German Ralph Pay's Shrewsbury office, said that with what he called "a hint of confidence coming back into the financial world even before the Budget," there is a steady increase of interest in all types of property, particularly for homes in the country.

"The houses of Shropshire in the border country are of considerable elegance, covering a wide range of architecture from the 12th century fortified manor house through to the Tudor, Jacobean, Georgian and Victorian periods. They have in general been well sited, and usually include sufficient land around them for their own protection. Their great strength is their seclusion, but few are isolated, with the M5 motorway bordering the eastern boundaries of the county and the M54 motorway now being con-



The 19th century Salop Royal Infirmary (right) by St. Mary's Church (left), in the centre of Shrewsbury, Shropshire, on the banks of the Severn. It is to be developed as The Court,

incorporating 30 apartments from £33,000 to £53,000 on a 99-year lease. Brochure Alan Daborn, John German Ralph Pay, 43 High Street, Shrewsbury (0743 69661), and Hall Wateridge and Owen, 2 The Square, Shrewsbury (0743 57074).



The Gothic-style Rowton Castle, on an ancient Roman site in 28 acres on the outskirts of Shrewsbury, Shropshire, is being offered for sale by Tarmac. There are 19 bedrooms and 5 bathrooms.

conference block, swimming pool, gymnasium and a commercial market garden. Brochure Richard Gynor, Knight Frank and Rutley, Windsor House, Windsor Place, Shrewsbury.

structed from Telford to join the M6."

Recently on offer were Hogstow Hill in three acres at Minsterley, with its five bedroom half-timbered house and original water mill with driving gear and millstone, £90,000. Bachelors Water Mill still operational, with its mill cottage on the Welsh borders bordering the eastern boundaries of the county and the M54 motorway now being con-

ference block, swimming pool, gymnasium and a commercial market garden. Brochure Richard Gynor, Knight Frank and Rutley, Windsor House, Windsor Place, Shrewsbury.

Declared play

BRIDGE

E. P. C. COTTER

TODAY'S hands occurred in important pairs events. Both are instructive, and will repay study. We start with this example of intelligent declarer play:

♠ 9 8 6  
♥ J 7 6 3 2  
♦ K J 7 6  
♣ A

W E  
♠ K 5 3    ♠ J 10 7 2  
♥ K    ♥ Q 5 4  
♦ A Q 9 4    ♦ 10 5  
♣ K Q 9 7 6    ♣ J 10 8 4 2

Neither side was vulnerable when East dealt and passed. South opened the bidding with one heart, and West doubled for take-out. North jumped to four hearts—a course of action that would commend itself to most players with the North cards—and that concluded the auction.

West's opening lead of the club King was taken on the table, and a heart was returned for a finesse of the Queen. This percentage play was also a safety play—the declarer did not want East to obtain the lead and play a spade prematurely. West won with his singleton King and returned the four of diamonds. South finessed dummy's Knave—he had to assume that West held both Ace and Queen, if he was to have any chance of making his contract. When this held the trick, declarer drew the last trump with the Ace of hearts, and played by one trick—and the distance between plus 50 and minus 10 was a sheaf of match points.

club on the table, and returned the seven of diamonds, on which he discarded his four of spades. West won, and was played. A club lead would concede a ruff discard, a spade would run into the declarer's major tenace. South deserves full marks for his sound assumptions and the careful timing which made possible the final throw-in.

The second hand illustrates a most delightful defence:

♠ N  
♥ 8 7 6  
♦ K 10 6  
♣ J 10 3

W E  
♠ A Q    ♠ K 8 8  
♥ 8 5 4 3 2    ♥ Q J  
♦ 5    ♦ A K 8 4 3  
♣ J 10 7 6 4    ♣ 9 5

With neither side vulnerable, South dealt and bid one spade, and North's raise to two spades ended the brief auction. West chose to lead the Knave of clubs, which was won in hand with the Ace, and the six of diamonds was returned to the ten and King. East led back the nine of clubs, won by South's Queen, and the seven of diamonds, on which West threw the two of hearts, was covered by Knave and Ace.

To return a diamond at this stage would be premature—South would merely throw a club and destroy East's proposed club ruff—so East returned the three of spades. West won with the Queen, led back a club for East to ruff with the nine of spades, and now East played a low diamond, and West suited with his Ace of trumps. The defence had already taken five tricks, and East's King of spades was one trick—and the distance between plus 50 and minus 10 was a sheaf of match points.

A beautiful example of card reading, timing, and partnership co-operation.

The rising young

CHESS

LEONARD BARDEN

TWO RECENT events demonstrate the depth of British chess strength built by a decade or more of junior talent-spotting. The traditional Oxford v. Cambridge fixture, as usual sponsored by Lloyds Bank and played at the RAC, was staged for the 100th time and ended in a 5-3 Oxford win.

Their successful team was by general consent the best in the entire history of the series, with an IM on top board and a board 7 who held his own in the last British Championship. Cambridge, though beaten, were far from outclassed and might easily have drawn 4-4. Almost all the players on both sides were "graduates" from the England junior squad; many have been tournament competitors since primary school. Most had grades above 200, the level of master chess, yet they achieved high standards while coping successfully with intellectual, university degree courses. Their subjects were typically maths or physics, classics, law or economics.

Westergate, the West Sussex village which has become a prominent centre of chess activity, has held its second Arc Young Masters sponsored by Amey Roadstone. The first Arc was an unofficial British under-26 championship where lesser lights could challenge GMS Miles and Nunn. Due to the clash with the Marbella zonal and other events, a different concept was needed for the second Arc, so the field was enlarged to include both older British IMs and younger talents in their mid-teens.

The clash of generations produced sharply fought games, but the inexperienced juniors tried to offset lack of technique by an uncompromising tactical style. On the whole, the relative veterans had the best of the exchanges. Jonathan Spielman, only competing GM, tied for first prize with R. Britton and A. Martin after William Hartston of BBC's Master Game led earlier.

The value of a competition like the Arc is partly the inspiration it provides for quantum jumps in achievement. A year ago at this tournament, I watched two of the youngest competitors, S. Conquest and N. Carr, then aged 13 and 12, struggling on the bottom boards. But within six months Conquest was world under-16 champion and had drawn with Smyslov in the Lloyds Bank Masters, while this year Carr drew four games out of five against GM Keene in a quickplay match.

Events which pair the rising young against experienced masters are clearly among the most cost-effective forms of chess sponsorship.

White: J. J. Cox (Oxford), Black: S. H. Niman (Cambridge), English Opening (various match 1982).

1 P-Q4, P-KB4; 2 P-K3, P-RN3; 3 B-N2, B-N2; 4 N-RK3, P-Q3; 5 N-B3, N-KB3; 6 R-QN1 (the modern approach—a rapid queen's flank advance takes priority over castling), P-K4; 7 P-Q3, 0-0; 8 P-QN4, N-R4; 9 Q-N3, K-R1; 10 0-0, P-B3; 11 P-B5, N-Q2?

Black's troubles stem from this passive move. N-Q3 is preferable in such positions so that the knight can join in a king's side attack via K3 and KNS or KB4.

12 PxP, PxP; 13 B-QB2, QN-B3; 14 P-N6, P-KR3; 15 Q-N4 (an original idea which ties Black to passive defence and prepares a favourable queen exchange), N-K1; 16 N-Q2, R-B2; 17 N-B4, B-B1; 18 Q-R5 (the huge difference in scope between the white and black minor pieces makes an endgame attractive for White), B-K3; 19 QxQ, RxQ; 20 N-R5, R(1)-Q2; 21 P-N6, P-R3; 22 B-B6 (winning a decisive pawn for if PxP? 23 P-N7), Q-R3; 23 NxP, RxN; 24 BxN, R-N2; 25 KR-B1, N-B3; 26 B-B6, R-QN1; 27 Pxp, Pxp; 28 N-K4.

Further exchanges make Black's game hopeless. He could already resign, but both players were short of time.

This lucid game was awarded the Lloyds Bank trophy for the best Oxford win.

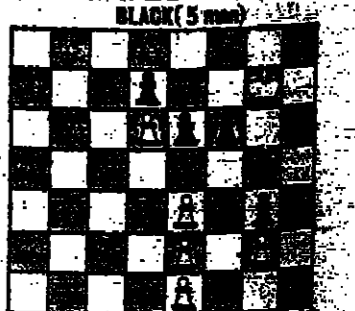
POSITION No. 415:



Mestel v. Stean, West Europe zonal, Marbella 1982. Jonathan Mestel, who needs one more grandmaster result to be awarded the title, he has narrowly missed several times in the past few years. At Marbella he again fell short by half a point. He has another chance in next month's English and Drew Kings (April 18-20 at County Hall, London) where the GM norm will be 7 points out of 13.

Here as White (to move) he is a pawn up, but there are bishops of opposite colours and Black has just offered to exchange queens. How did Mestel force resignation in two moves, and why did Black give up?

PROBLEM No. 415:



White mates in four moves, latest, against any defence. K. S. Howard?

Solutions Page 12

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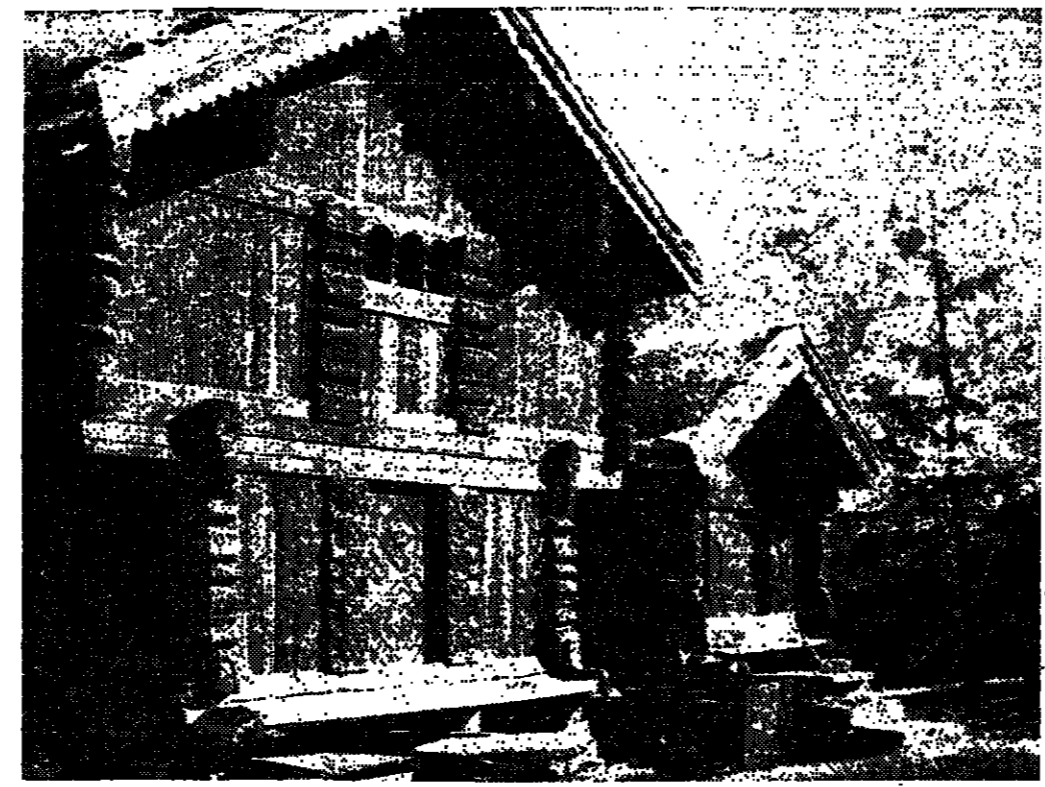
Norway's airy capital

TRAVEL SYLVIE NICKELS

AS URBAN dwellers go, the 450,000 citizens of Oslo are extraordinarily lucky. When its boundaries were extended by the city fathers in 1948, the Norwegian capital became overnight not only one of the largest but among the least populated cities on earth...



Above, one of the 192 Vigeland sculptures in Frogner Park, Oslo, completed in 1943, and (right) ancient storehouses in Skien open air museum, Telemark



plussen, that tourism starts. The sightseeing buses and boats leave from here and within the City Hall's massive doors, is the Tourist Office whose free "Oslo Guide" is indispensable. Within a few hundred yards in one direction is the great pile of Akershus fortress, and in the other "main street" is the Karl Johans gate. The fortress has been there since the 13th century, though its present appearance dates from the 17th when the Danish-Norwegian King Christian IV replanned the whole city and re-named it without undue modesty, Christiania (it was changed back again in 1924). The views from it over the harbour are splendid and it contains a particularly moving Museum to the Resistance.

remarkable city sights, you need to abandon the centre. The headland of Bygdøy, best reached by ferry from Rådhuspladsen on a busy summer's day, offers an extravaganza of vicarious maritime adventuring. Here are the Viking Ships (some of the best-preserved anywhere), Nansen's Fram that drifted across the top of the world, Thor Heyerdahl's Kon-Tiki and Ra II that respectively ventured across the Pacific and the Atlantic and, in front of the National Maritime Museum, looking astonishingly small, the Gjøa in which Amundsen was the first to penetrate the North West Passage. And here, too, is the open air Folk Museum whose charming collection of old buildings include a stave church and Henrik Ibsen's study.

Museum in the north-east of the city. Here the often sombre but magnificent canvases of Edvard Munch reflect a childhood dominated by poverty, sickness and death; amongst them, works such as Girls on a Bridge, are like a breath of fresh air. In fact, Oslo's artistic life began 3,000 years ago, with the rock carvings to be seen near the Seamen's School on the city's southern outskirts. The Oslofjord area is peppered with such carvings, especially on the eastern shore and you can follow a veritable prehistoric trail right down into Sweden. There are particularly fine traces in the surroundings of the beautiful little fortified town of Fredrikstad which is nowadays a lively arts and crafts centre. The western shore of the fjord is the one to choose for fishing villages and bathing resorts which get progressively prettier as you proceed south to where the waters widen into the Skagerrak.

Further information: Norwegian Tourist Board, 20 Pall Mall, London SW1Y 5NE; Fred Olsen Travel, 11 Conduit St, London W1R 0LS; Danish Seaways, Latham House, 16 Miracles, London EC3N 1AN.

Coming alive as they climb

IT TOOK 70 people to launch what is claimed to be the world's largest kite, for a 37-minute flight which must guarantee a place in the record books. This huge, bright-coloured airfoil shape, 166 feet wide and 53 feet long, too to the air at Scheveningen last August, hanging in the sky like a giant metress. Yet it has no spars; the wind fills the kite with 1m litres of air through vents to form the structure and on the ground it is totally collapsible.

ful delta shapes, fighting kites, steerable stunters, "soft" kites such as the airfoil and multi-cell kites of many kinds. There is a seagull design which, in the air, looks deceptively like the real thing, and an imaginative new catamaran which can be sailed on water as well as flown. You can still buy the original Gibson Girl box kite flown by ditched British aircrews in the war to raise an emergency aerial. Inexpensive kites usually have a plastic covering (the sail) and you can still buy kites which have cotton sails. But most quality ones are now covered with colourful ripstop nylon, the material from which parachutes are made.

which seem to come alive as they climb into the sky. There are three specialist kite shops in Britain, two of them in London. Dave Turner, managing director of the Kite Store in Covent Garden, says: "There's a kite shop in most large cities in the U.S.—in San Francisco there are four in the same block. Mr Turner plans to organise a London festival this August at Parliament Hill, where he wants to give the monster airfoil a demonstration. He would also like to show off what is reckoned to be the world's longest kite—nearly a quarter of a mile from end to end. For anyone who wants to make their own, there are plenty of books to explain how it is done and how to fly the finished result. And most kites are easy to fly—once the knack is mastered. Even a polythene rubbish bag can be made to fly well, and one Japanese kiter, for fun, likes to take off his plastic mac, attach a line, and fly that, too.



It is often possible to fly on a day when there is apparently no wind, by launching a light kite patiently on a long line until it picks up an airstream at 150 feet or so. If the great outdoors doesn't appeal, you could always follow the example of Carl Brewer in the U.S. last year. He flew a tissue-covered indoor kite to an "altitude" of 245 feet inside the Kingdom Hall in Seattle. ADDRESSSES: Kite shops: Greens of Burnley, 336 Colne Road, Burnley, Lancs; Kite and Balloon Company, 613 Garratt Lane, London SW18; Kite Store, 69 Neal Street, London WC2.

Greenery and parks in desert Abu Dhabi

THREE YEARS ago I visited the United Arab Emirates to check for myself accounts I had heard of the remarkable horticultural and forestry expansion that was taking place there. I found the very new city of Abu Dhabi growing at an explosive rate yet already, over a considerable area, green with trees and shrubs planted in wide central reservations down many of the main streets and filling charming little gardens in the centre of many of its very large roundabouts.

a little more tolerable for plants though not for people? I had no idea, though all the forestry experts I spoke to in Abu Dhabi were confident of success. So I was delighted to have the opportunity to escape briefly from an exceptionally dismal Arabian winter to revisit the British Gulf and see what had really been happening in those intervening years. What I found not only confirmed the optimism of the forestry men but revealed an entirely new story of horticultural and agricultural expansion.

Old and simple methods of flood irrigation are being adapted by using concrete gutters or metal pipes to distribute water evenly over levelled fields or, at the 650-hectare farm run by the Government's Agriculture and Animal Research Department at Al Oha not far from Al Ain, irrigation by impulse sprinklers as practised in most western countries including Britain. At Al Oha water is drawn from 45 wells, each from 200 to 250 feet deep, fed into a covered storage tank holding 450,000 gallons. High nitrogen fertiliser and manure are spread in the normal way and are dissolved and carried down into the sand by the overhead irrigation.

and grown to its present size in two large extensions. The whole Al Ain area derives much of its water from the mountains to the east from which man-made oases have been fed by underground water courses for at least 3,000 years. There are other areas of cultivation following the Hajar range northwards all the way to Ras Al Khaimah and also in the narrow strip of cultivatable land on the eastern side of the mountains mainly in the Emirate of Fujairah. In all these places farms are increasing in number. Many boreholes are being sunk for water. The use of fertilisers, even for the traditional date plantations, is being encouraged, pests and diseases are being fought and, as a result, yields are steadily increasing.

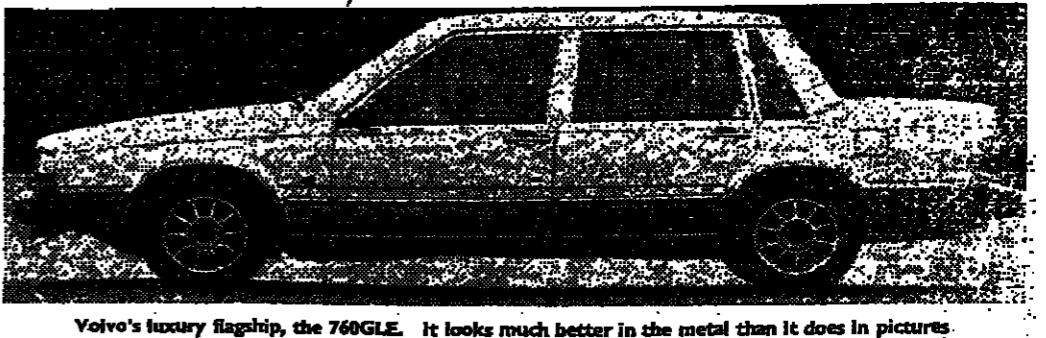
Dhafir Hortex, intends to introduce and acclimatise plants not as yet readily available, including many New Zealand natives such as coprosma, olearias, pittosporums and Hebes. The stock already available, all well established in containers, exceeds 80,000 and is rapidly growing. The young plants, flown in from New Zealand in about 36 hours, are acclimatised in Net-protected shade houses with capillary watering, but are moved outside for an adequate period before being marketed. This enterprise is still so young that it is impossible to assess its prospects but from the scale of the planting throughout the Emirates it would seem to have considerable potential.

GARDENING

ARTHUR HELLER

covered storage tank holding 450,000 gallons. High nitrogen fertiliser and manure are spread in the normal way and are dissolved and carried down into the sand by the overhead irrigation.

Here I saw 415 hectares of wheat giving a yield of 3.0 to 3.5 tonnes per hectare and nearly ripe for harvest in early March. Top quality potatoes were being lifted and were yielding 8 tonnes per hectare, broad beans were coming to the end of their cropping period and other crops included dwarf peas and onions, both looking in excellent condition. This farm, intended to extend experiment to a viable commercial scale and standard, had started in 1977 with 156 hectare



Electronics watch wheel-spin

SOME CARS, like some people, are photogenic. Others are not. To be honest, the camera does not flatter Volvo's latest car, the upmarket 760 GLE. In profile, it looks blandly and conventionally stylish until you get to the back window, which drops like a cliff on to a great cabin trunk of a boat. Full face, like many another Volvo, it could be mistaken for a streamlined snowplough.

Turbo with the four-cylinder petrol engine has not been available here, either. But there is space to spare under the new 760's bonnet for a right-hand steering column and the diesel engine (and, come to that, for a turbocharged petrol engine). Volvo Concessionaires "don't expect to sell many turbo-diesel 760s to begin with but they have had a small though steady demand for a diesel from Volvo owners for several years.

asked if an estate version could be expected. Volvo are not in the habit of leaking details of new models; security on the 760 had been tight. While no-one would admit a 760 estate was in the pipeline, I would be surprised if it were not. The current six-cylinder 265 saloon has its type 265 estate counterpart. The 760, though currently an additional model, must displace the 264 in time. So a 760-based estate would be a logical development, though probably not for two years.

MOTURING

STUART MARSHALL

on the car's social acceptability, is a make that appeals to the top layer of the environmentalist market. It may well be that Derv fuel's lack of lead additive is a powerful argument as the potential pence-per-mile cash saving.

MOTORS

STUART MARSHALL

In Britain, Volvo seems to have been keeping a low profile lately though they have been selling more cars than ever before. Their 300 series—the ex-DAF hatchback that has been gradually transformed into a proper, downsized Volvo—has been in the top ten most popular cars for the last two months.

MOTORS

STUART MARSHALL

First it cuts out the turbo-charger. Then, if the wheel is still spinning, it starts reducing the fuel supply to each of the engine's cylinders. All this takes place between one and five times a second.

HOTELS

ON THE FRENCH COTE D'AZUR Welcome Hotel by the sea with the "Saint Pierre" Restaurant

MOTOR CARS

ROLLS ROYCE ESTATE 1981 SILVER SHADOW II Custom covered in 5-door estate with power operated sunroof.

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times.

TRAVEL

The City of the Lake Anne Gregg For a free copy of this delightful essay...

Wtravel 2A Thayer St. The world is at your feet. 01-487 3361.

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TRAVEL

So Many Curious Pleasures Denis Norden For a free copy of this witty and entertaining essay...

The Sun Shines all the time in the West Indies We have a selection of 100 top-quality covered boats...

Advertisement for THE ARMY BENEVOLENT FUND. Text: "In war, in peace you need his help... When help is needed, please help him and his dependants. A donation, a covenant, a legacy to THE ARMY BENEVOLENT FUND will help soldiers, ex-soldiers and their families in distress."

Handwritten signature: J. P. ...

BOOKS

Finding a voice of their own

BY MALCOLM RUTHERFORD

The Politics of Change by William Rodgers. Secker and Warburg, £7.95, 199 pages

The problem of the Social Democrats, it is increasingly clear, is that they have insufficient support to distinguish themselves from the two established major parties.

Rodgers who, in conversation, is amusing, lively, interested and interesting. Personal illustrations—for instance, his experience in his constituency—are kept out. I would have preferred a more autobiographical note.

There is a more fundamental point. Nothing in Mr Rodgers's programme could not be pursued by the modern Tory Party, and most of it could be pursued by a reformed Labour Party.

Mr Rodgers devotes a chapter to what is popularly known as Thatcherism, but which he chooses to call "reborn conservatism." He builds a model composed of four elements, then seeks to demolish it.

or so has been quite different. Mr Rodgers has made the common error of mistaking the rhetoric for the reality. Mrs Thatcher's administration is not nearly as radical as she pretends.

Other sections also suggest that Mr Rodgers is by no means unimpressed by what the present Government is trying to do. For example, there is a call for more "enterprise zones" in the inner cities.

It is less obvious how this all fits together. At one stage, Mr Rodgers returns to advocating the old Labour policy of "backing winners in key areas of high technology."

at all clear how he would reconcile greater economic freedom, higher company profits and less government interference with the sort of approach to incomes that he proposes.

In one way, he is extremely honest. He wants an incomes policy not just to control inflation, but for its redistributive effects.

Here Mr Rodgers is back in the Labour Party. When he writes that any approach to a long-term incomes policy would have to be worked out before a Party took office, he is talking precisely the same language as Mr Michael Foot.

immediate and medium-term prospects for the country between the Government, the TCC and the CBI.

Of course, it might be argued that a new party would naturally borrow from the old—from Tories and Labour alike—in an effort to represent the best of both.

Much of Mr Rodgers's brief analysis of what is happening in British society is admirable, and right. He points out that we are now living on economic growth that occurred mainly before 1970.

The case that Mr Rodgers is really making is that Britain



Honeymoon days: William Rodgers on the platform with Liberal leader, David Steel. Mr Rodgers's book stating his political aims is reviewed today

would be better governed if there were fewer changes of government, and if governments did not feel obliged to change their policies in mid-term in order to attempt to win the next general election.

knows that. We have yet to learn what to do about it. And what would happen if we had a Septennial Act followed by a really bad government?

largely on the performance of the two big parties between now and the election. Neither of them has yet quite committed suicide.

Fiction No safe havens BY ADAM MARS-JONES

The Safety Net by Heinrich Böll. Secker and Warburg, £7.50, 314 pages

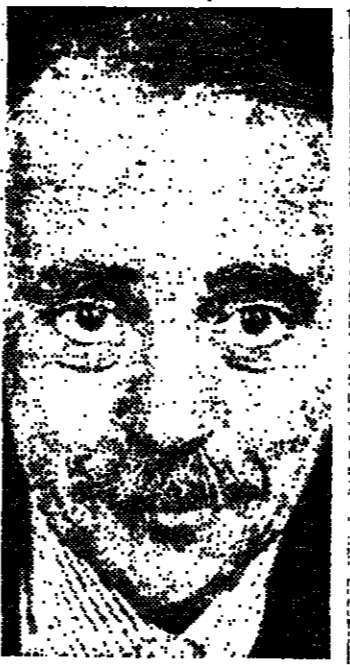
Mid-Century Men by Arthur Hopper. Hamish Hamilton, £7.95, 254 pages

Travels to the Enu by Jakob Lind. Eyre Methuen, Methuen, £6.50, 126 pages

The title of Heinrich Böll's new novel *The Safety Net* refers to the security arrangements required for the protection of a public figure, the bodyguards, dossiers and microphones, and already, with the word "net," begins to suggest the negative aspects of such precautions.

hiding with a terrorist. The book, which dramatises the plight of this severely endangered and protected man, combines melodrama with family saga. A great deal happens in a matter of days but the necessary background information arrives in awkward blocks.

There are sharp glimpses of Germany during the war (the recycling of "enemy textiles," meaning blood-soaked and bullet-ridden clothing) and after it: a doctor remembers all the SS tattoos he was called on to remove, in a community which now shuns him because of his daughter's politics.



Heinrich Böll: dangers of security

But the revelations, when they come, are tame enough; and in any case they emerge independently of the investigation. There is never any feeling that politics might be a world that includes other worlds; public life might be championship darts for all the breath and depth it is given here.

Bozzy in a tizzy or two BY PETER QUENNEL

Boswell: The Applause of the Jury 1782-85 edited by Irma S. Lustig and Frederick A. Pottle. (The Private Papers of James Boswell.) Heinemann, £15.00, 419 pages

Here is the twelfth, but by no means the last, volume of James Boswell's *Private Papers*, the great literary monument that began to emerge over 30 years ago.

It is more valuable even than Rousseau's *Confessions*: for Boswell was completely innocent of Jean-Jacques's paranoid bias and sought determinedly to tell the truth, however injurious it might perhaps appear.

approval: "I thought I was doing what he approved and I wished always to preserve the notion of his seeing what I was about." An estimable frame of mind. Unfortunately, he soon heard London's call. He had been tolerably successful at the Scottish Bar, and had achieved some popularity. At its Southern equivalent, might he not hope to cut a dashing and conspicuous figure?

I was irritable in a sad degree (he writes) and upon some careless expression of my dear wife's which hurt my pride, I burst into a paroxysm of horrible passion. . . . I put some shirts into my greatcoat pocket, got upon my horse, and rode out in a hurried dubiety which way I should go to be from home.

1783) that I resolved to drink a great deal of wine. I did so, and afterwards played 18 cards. In short, it was a day not to be remembered with satisfaction. Like its predecessors, *The Applause of the Jury* has been admirably edited, and its editors, Professor Frederick A. Pottle, the dean of Boswellian and Johnsonian studies, and Doctor Irma S. Lustig, point with proper pride to a series of notes "now published in their entirety for the first time."

BUILDING SOCIETY RATES

Table with columns for Deposit, Share, Sub/pn, and Term shares. Rows include Abbey National, Aid to Thrift, Alliance, Anglia, Bradford and Bingley, Bridgewater, Bristol Economic, Britannia, Burnley, Cardiff, Catholic, Chelsea, Cheltenham and Gloucester, Citizens Regency, City of London (The), Coventry Economic, Derbyshire, Ealing and Acton, Gateway, Greenwich, Guardian, Halifax, Heart of England, Hearts of Oak and Enfield, Hendon, Lambeth, Lamington Spa, Leeds and Holbeck, Leeds Permanent, Leicester, Liverpool, London Grosvenor, Mornington, National Counties, Nationwide, Newcastle, New Cross, Northern Rock, Norwich, Paddington, Peckham Mutual, Portsmouth, Property Owners, Provincial, Skipton, Sussex County, Sussex Mutual, Town and Country, Wessex, Woolwich, Yorkshire.

delicacy and tact; but then tact is the only truly dispensable quality in a novelist. The blanniness of English life has had no effect on Jakob Lind, though he has lived here for nearly 30 years; in *Travels to the Enu*, his first novel, written in English, he sets off from contemporary London at a great pace, by way of a mysterious sea cruise and a timeless world of the Enu, where islanders carry birds around in their headresses, and indeed worship and obey them.

Coote club

Sweet Freedom: The Struggle for Women's Liberation by Anna Coote and Beatrix Campbell. Picador, £1.95, 258 pages. Anna Coote and Beatrix Campbell, two journalists, veteran activists in the struggle to extend our choices, offer *Sweet Freedom* as an "interim report" on the women's movement in this country.

During the period covered by the present volume, from 1782 to 1785, the course of Boswell's life was comparatively decorous and harmonious. On August 30, 1782, he had lost his father, the sternly upright Scottish Lord.

Years of France's shame BY ERIK DE MAUNY

Vichy France and the Jews by Michael R. Marrus and Robert O. Paxton. Basic Books Incorporated, New York, £9.50, 432 pages.

After the collapse of France in June 1940, the Vichy régime brought ignominy upon itself in a variety of ways, but in none more pointedly than in its treatment of the Jews, first of those many thousands who had come to France as refugees, later of native-born Jews as well.

Jews whose families had been resident in France for many generations were stripped of citizenship, rounded up, and despatched to the extermination camps in the East. None of this could have happened, however, had it not been for a persisting virus of anti-semitism deeply embedded in French soil in the 1790s.

groundwork for later horrors had been laid even before the outbreak of war. Vichy's anti-Jewish programme thus raised little public protest in its initial stages. The French were chiefly preoccupied with the fate of a million and a half French prisoners-of-war in German hands and with the bare struggle for survival; and later, the introduction of the hated S.T.O., the Service du Travail Obligatoire, in which many thousands of French were sent to work in German factories, tended to mask the far worse fate that was steadily overtaking the Jews.

It could be claimed that the authors have painted too dark a picture. In the end, some 76,000 Jews were deported from France to the death camps, of whom some three percent survived, however, but for the ministrations of Vichy officials such as Xavier Vallat and the unspeakable Darquier de Pellepoix, and the Vichy policy of making Jews readily identifiable to their persecutors by stamping the word "Jew" on identity cards and ration books.

Sinden speaks BY B. A. YOUNG

A Touch of the Memoirs by Donald Sinden. Hodder and Stoughton, £7.95, 256 pages.

I have to confess that when I see another actor's autobiography, even if he is a good actor, perhaps a nice one as well, my heart drops for a moment. The formula is almost as invariable as Desert Island Discs.

interval to get married in. A Touch of the Memoirs — is just like this. What's more, it's only the first of two volumes or so, and ends in 1980. It is much the most amusing book by an actor that anyone has written since David Niven.

Donald Sinden is a compulsive teller of anecdotes, relevant or not, and he tells them uncommonly well. I think he has done into two volumes because he can't resist attaching an anecdote or so to anything that happens. His memory of playing *Rosencrantz* at the Bristol Old Vic leads to two and a half pages of *Hamlet* stories, about Noh Coward, Russell Thorndike, Henry Irving, Max Beerbohm, and Lichtenberg and his friend

Henry, none of whom were in that production, all of whom are worth mentioning in the context. So we have childhood in Ditching (Adrian Booth, Mrs Gill, Mrs Hilton Phillips), work as a jockey, work for Mobile Entertainment, Southern Region; real work in theatre; marriage to Diana Mahony; better work in theatre; work in the film *The Cruel Sea*, *My Darling Clementine*; the most glamorous person I have ever known; seven-year contract with Rank; all there for the reference books; but it's what comes between that makes the difference. All the same, he's got Swallow limerick wrong.







Murdoch carries on regardless

By Ian Hargreaves

Disinflation hurts too

IT WAS in a sense tactless of the Government to announce the first month of zero inflation for some years on the day that tenders were accepted for the first generally-available indexed gilt.

Deep alarm In a closed economy, this would be easy enough; but the credit market is international, and in American long government bonds yield more than in Britain.

At the same time, ironically, the difficulties of Opec are helping to keep real interest rates high. The oil producers are no longer adding to the international pool of bank deposits.

Critical eye Things are not in fact working so smoothly, because depositors—and especially banks—are beginning to inspect the asset side of bank balance-sheets with a critical eye.

Letters to the Editor Credit From Professor T. Barna Sir,—May I comment on your timely leader on subsidies for export credits (March 12)?

Competitive From Mr J. Wilkinson Sir,—According to the report by Iron Owen (March 1), Mr Peter Shore has stated that "... since the present Government took office in May 1979 Britain has lost something like 30 per cent to 35 per cent in international competitiveness."

Gains From Mr D. Lewis Sir,—Mr Sutherland (March 16) appears to have missed the point that I was making in my earlier letter.

TO HEAR Rupert Murdoch talk, this has been just another week in the life of your average global newspaper magazine. Ditching an editor, sidelining a managing director and dodging accusations about improper political interference in his newspapers' affairs seems hardly to have furrowed Murdoch's brow.

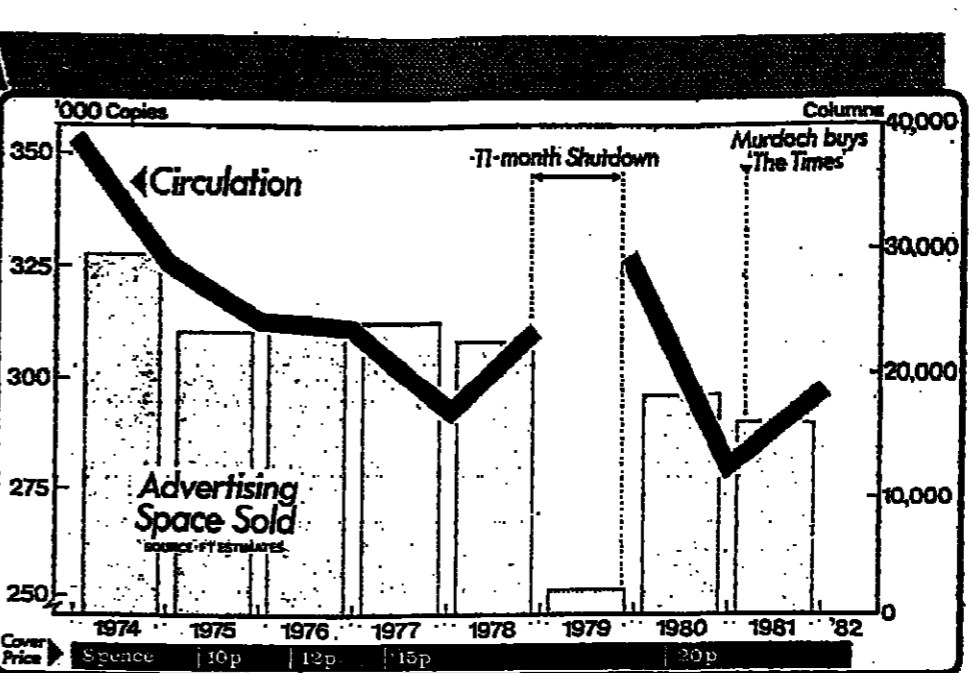
More insulated None of this necessarily means the UK interest rates cannot fall, as the Government so fervently wishes them to. The UK is considerably more insulated from US markets than it was only six months ago—a result which the gilt market has been celebrating rather too enthusiastically in recent weeks.

A continued push towards new technology Journalist. "He does not understand how to run quality, low-circulation newspapers," argued another Times man.

Independence From the National Officer, Association of Scientific, Technical and Managerial Staffs Sir,—Mr Nott, in announcing the purchase of Trident 2, states that this will reinforce Britain's "independent" deterrent.

Management From Mr A. Woodhead Sir,—Hazel Duffy's interesting Lombard column March 12 was highly topical and is even more so in view of the Industry Secretary's proposals for changes in state industry control.

Reply From Mr T. Kent Sir,—John Lloyd (The right to reply to the Press, March 16), is exceptionally naive.



Even more important, he seems in the course of his remarkable 11 am to 2 am work days to have failed to come to grips with the paper's newsroom, which felt its standards violated by an under emphasis upon display and by Evans's own tendency to "run things through" his own typewriter, often late at night. In essence, he failed to adapt quickly enough from Sunday journalism to daily journalism.

showing package deals for advertisers willing to take space in both newspapers. Other cost-cutting efforts will involve the continued push towards new technology, with cold print type by the end of the year and an early re-opening of negotiations for full introduction of the computerised typesetting system.

showing package deals for advertisers willing to take space in both newspapers. Other cost-cutting efforts will involve the continued push towards new technology, with cold print type by the end of the year and an early re-opening of negotiations for full introduction of the computerised typesetting system.

doubting that he will succeed. The first and most obvious is the financially desperate condition of TNL over a period of 20 years. The business cost the Thomson family £70m in their period of ownership and it is not hard to see why.

General. Private sector businesses are fortunate indeed to have only shareholders and auditors to worry about. Hazel Duffy makes the point that equally good management in public and private sectors should be expected.

There is, however, no shortage of rival strategies retelling in the bars of Gray's Inn Road. The most interesting of these, perhaps, is that of the Peter Jay-David Dimbleby-Jack Jones-David Astor Jr consortium, which is supported by many older Times journalists.

If Mr Murdoch succeeds in this plan, he will change the shape of Fleet Street for ever. There are many reasons for

those of the FT (which at 200,000 has a smaller circulation than the Times) and 34 per cent less than the Telegraph. Guardian rates are the same as those of the Times, but unlike the Times, the Guardian is enjoying rapid circulation growth (now almost 400,000).

Selection From Mr A. Eames Sir,—Mr Dixon (February 18) touched on one of the fundamental issues concerning personnel selection and appointments.

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But as Murdoch presses ahead with his own plans and installs what he calls "more hands-on" management to help him, what should be made of his handling of the Evans affair?

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Should you invest in commodities?

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3. Would you like faster movement in your investment than is provided by shares?
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UK COMPANY NEWS

Midland Bank maintains £232m Three Fleming trusts to be unitised

IN THE second half of 1981, Midland Bank has recovered the £20m mid-term shortfall in profits to maintain full year pre-tax figures at £232.2m, compared with £231.9m for 1980. But the results have been severely affected by the level of provision for bad debts, which at £113.5m was £30.5m higher than the previous 12 months.

Year totalled £66.2m (£0.6m credits) of which £65.1m related to the special levy on banking deposits. Attributable profits fell by £5.5m to £122.9m and after cost of dividends, the retained balance emerged at £84.3m, compared with £133.6m.

Within this sector there was an improved performance from Forward Trust. Graham and Northern Bank, both of which increased their contributions despite the need for a substantial level of provision for bad debts. Midland Bank Trust Company Midland Group Insurance Brokers also added to the overall profit, but in Scotland the Clydesdale Bank performance was almost unchanged.

However within this international banking sector, the increased incidence of bad debts caused the overall contribution from this sector to decline from 48 per cent of group profits to 38 per cent.

PLANS TO convert three investment trusts with combined assets of £121m into unit trusts were announced yesterday by Robert Fleming Investment Management.

Table with columns: Name, Assets (£m), New activity, Existing D.V., Min. Div. under proposal. Rows include Fleming Japanese, Fleming Far Eastern, Fleming American, Fleming Universal, Fleming London and Holywood, Fleming London and Montreal, Fleming London and Provincial, Fleming U.S. and General.

Lord Fitzalan Howard stressed that Fleming had considerable experience in the Far East and North American markets. The plans would involve the disposal of about £100m of assets and transfers to pension funds under Fleming's management - which would save brokerage and stamp duty - would only be done "if it is in their interests."

Waring & Gilrow drops to £1m BAT offer inadequate says Icahn

WITH FIERCE competition squeezing margins and fixed costs rising Waring and Gilrow (Holdings), the furniture and carpets retailer, could no more than hold mid-year trading profit at £248,000, against £387,000.

not be fully felt until the next financial year Mr Cussins adds. The closures include six of the group's furniture stores which now number 80.

companies at the upper end of the furniture market. Waring and Gilrow (Holdings) has been slow to take protective action. Major economies are now being achieved including a slimming down of workforce that equates to a £2m saving on the annual wage bill.

BY TIM DICKSON The DIRECTORS of Associated Communications Corporation (ACC) are forecasting taxable losses of £30.5m for the year to March 31 1982.

ACC forecasts £30.5m losses

THE DIRECTORS of Associated Communications Corporation (ACC) are forecasting taxable losses of £30.5m for the year to March 31 1982.

stockpile of feature and television films. Under the former policy, these assets were stated at cost less sales receipts and any amount considered to be necessary to reduce such assets to estimated realisable value.

Increased losses at Montfort

PRE-TAX LOSSES of Montfort (Killing Mills) have increased from £395,408 to £709,782 in 1981, following a second-half deficit of £412,512 against £478,956 last time. There is no final dividend.

Mills and Allen up to £6.2m

A RISE in earnings from its financial services division enabled Mills and Allen International to increase pre-tax profits from £5.25m to £6.2m for the six months to December 31 1981 on turnover of £29.98m, compared with £27.02m.

The interim dividend absorbs £754,000 (£662,000) and the amount carried to reserves rose from £2,066m to £2,49m.

money broking world-wide showed a 15 to 20 per cent advance, only a reasonable performance in the bubbly sector.

Euroflame to liquidate subsidiary

Euroflame Holdings, the wood stove supplier quoted on the Unlisted Securities Market and the subject of a takeover bid by the Unlisted Securities Market and the subject of a takeover bid by the Unlisted Securities Market

George Oliver improves

AN INCREASE from £1.18m to £1.31m in pre-tax profits is reported by George Oliver (Footwear) for 1981.

The company agreed in January to sell to National Water Council Superannuation Fund and lease back 14 properties out of a 40-property portfolio of the group comprising 83 properties.

Results due next week

Lucas is another major engineering company that fell into loss last year under the burden of heavy rationalisation costs.

King & Shaxson offshoot sold

King and Shaxson, the last of London's discount houses with a major interest in gilt-edged fund management, has sold its fund management business to the Britannia Group of Unit Trusts, part of Britannia Arrow Holdings.

Jersey, Guernsey, the Isle of Man and Singapore, has been bought for an initial sum of £200,000, plus a deferred amount payable on the value of funds under management on June 30.

tor of King and Shaxson Fund Managers. Mr Parrish's success in encouraging investors to use the expertise of the discount houses in the gilt-edged market, caused several other houses, including Gerrard and National, Clive Discount, Allen Harvey and Ross (now Cater Allen), and Gillett Brothers to form fund management subsidiaries.

Minorco sails into rough seas

THE South African Anglo American Corporation group's flagship for international expansion, the Bermuda-registered Minerals and Resources Corporation (Minorco), has sailed into rough waters.

MINING NEWS

The interim dividends is thus unchanged at 6 cents. Furthermore, Minorco states: "Difficult economic conditions are expected to pertain during the second half of the year and it is now not expected that the total dividend for the current year will exceed 22 cents paid in the previous year."

Dividends Announced

Table with columns: Company, Dividend (p), Last Year, This Year. Rows include Anglo African Finance, Ancliffe Holdings, Ancliffe Security (Holdings), BSA Group, Beatson Clark, Bomrosa Corporation, Bostell, BIRC, Brent Chemicals International, BSH, Cambridge Electronics Industry, Cattle & Holdings, Church and Co, Clay (Richard), Levland Trust and Holdings, Consultants (Computer and Financial), DRG, Eagle Star Holdings, Easby and Walker, Easby Building and Construction Group, Fairclough Construction Group, Film Forge, Firth Parkings, Firth and Sons, Friedland Donagor Group, Hepworth Ceramic Holdings, Jona Investment Trust, Jona Properties, Lane (Percy) Group, Lealand Trust and Holdings, London and Manchester Assurance, London and Scottish Marine Oil, Mendax (Holdings), Matthews (Share) Trust, Metal Circles Group, Maccormack (Holdings), Meyer (John), Nichols & Lund, Ocean Transport and Trading, Parnell, Parnell PWS, Rockware Group, Rozark.

King & Shaxson offshoot sold

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Mr James Parrish, probably the major figure among the discount houses in fund management, will join the Britannia Group, along with Mr D. C. Hambridge, who is also a director of King and Shaxson Fund Managers.

Mr Parrish's success in encouraging investors to use the expertise of the discount houses in the gilt-edged market, caused several other houses, including Gerrard and National, Clive Discount, Allen Harvey and Ross (now Cater Allen), and Gillett Brothers to form fund management subsidiaries.

Lyon & Lyon declines to £354,000

WITH reduced second-half taxable profits for 1981 of £227,000, compared with £403,000, the surplus for the year of Lyon and Lyon finished £260,000 down at £354,000. The annual turnover figure slipped marginally from £9.46m to £9.05m.

FINAL DIVIDENDS

Table with columns: Company, Announcement due, Dividend (p) Last Year, Dividend (p) This Year. Rows include Anglo African Finance, Ancliffe Holdings, Ancliffe Security (Holdings), BSA Group, Beatson Clark, Bomrosa Corporation, Bostell, BIRC, Brent Chemicals International, BSH, Cambridge Electronics Industry, Cattle & Holdings, Church and Co, Clay (Richard), Levland Trust and Holdings, Consultants (Computer and Financial), DRG, Eagle Star Holdings, Easby and Walker, Easby Building and Construction Group, Fairclough Construction Group, Film Forge, Firth Parkings, Firth and Sons, Friedland Donagor Group, Hepworth Ceramic Holdings, Jona Investment Trust, Jona Properties, Lane (Percy) Group, Lealand Trust and Holdings, London and Manchester Assurance, London and Scottish Marine Oil, Mendax (Holdings), Matthews (Share) Trust, Metal Circles Group, Maccormack (Holdings), Meyer (John), Nichols & Lund, Ocean Transport and Trading, Parnell, Parnell PWS, Rockware Group, Rozark.

INTERIM DIVIDENDS

Table with columns: Company, Announcement due, Dividend (p) Last Year, Dividend (p) This Year. Rows include Amalgamated Dried Products, Amalgamated Equipment, Bell (Archibald), Bell Bird Confectionery Holdings, Bristol Car Auction Group, Capeside, Fairview Estates, Howard Group, Lucas Industries, Mair (I) and J, Manson Finance Trust, Maynards, Newman-Tanks Group, Patterson, Peachey Property Corporation, Price Holdings, Rivalta Properties, Richard Consulting Engineers, Second City Properties, Sider, Sider, Strong and Fisher (Holdings), Trafford Park Estates, Walker (James) Goldsmith & Silversmith, Woodrow Wyatt Holdings.

Dividends Announced

Table with columns: Date of payment, Current payment, Contre payment, Total div. year, Total last year. Rows include Estates and Gen. 2nd Int, Lyon and Lyon, Midland Bank 2nd Int, Mills and Allen, Montfort (Killing Mills), George Oliver, York Mount.

comment

taken by surprise at the length and severity of the recession on its business compared to other companies at the upper end of the furniture market.

comment

However the group is not looking for a return from its U.S. venture until 1983.

comment

With the net profit, an interim of 1p net per share, the group's two major customers, following a second-half deficit of £412,512 against £478,956 last time, there is no final dividend.

comment

However, sales and bookings for 1982 show a substantial improvement in most sections. A further vigorous programme of action is being undertaken to rationalise knitwear production and achieve operating economies.



SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Tricentral emerged as a rival bidder for CCP North Sea Associates, the oil exploration company which last month agreed terms of a 15m bid from Charterhouse Petrol.

Seneca, the U.S.-based manufacturer of specialty plaster-board, made an agreed 50p per share bid for the outstanding 40.8 per cent of Capsels, the packaging company.

Associated Leisure bought Smiths Happyway Spencers, a private coach business and holiday tour operator in the North country for just over £11m.

The contested £78m offer by Rowntree Macintosh for biscuit manufacturer Huntley and Palmer, and the agreed £12.8m bid by Imperial Chemical Industries for the paint group Arthur Holden.

Shaw and Martin is raising £274,500 by way of a three for two rights issue at 11p per share.

Leisure Industries is coming to the Unlisted Securities Market by way of a placing of 794,362 ordinary shares at 120p per share.

Table with columns: Company bid for, Value of bid per share, Market price, Price before bid, Value of bid, Bidder. Lists companies like Assec Comms, Capsels, CCP North Sea, etc.

Script Issues

J. Bibby and Sons—One for two. Metatrax Group—One for ten. Supra Group—One for ten.

Rights Issues

Shaw and Martin—Is raising £274,500 by way of a three for two rights issue at 11p per share.

Offers for sale, placings and introductions

Leisure Industries—Is coming to the Unlisted Securities Market by way of a placing of 794,362 ordinary shares at 120p per share.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings per share (p). Lists companies like Armitage, Bibby, Boddings, etc.

Table with columns: Company, Year to, Pre-tax profit (£000), Interim dividends per share (p). Lists companies like Ryan, Sale Tilly, Sedgwick, etc.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends per share (p). Lists companies like Barratt, Bejam, Boulton, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., May, Last, Vol., Aug., Last, Vol., Nov., Last, Stock. Lists various options series like GOLD C, GOLD P, etc.

York Mount on target

PRE-TAX profits of York Mount Group, building contractor, climbed from £89,000 to £265,000 during 1981.

Mr Harry Turpin, the chairman, says the current year has started reasonably well with all companies operating at a profit.

The company's financial position is strong, he says, and the board is recommending a dividend of 2.1p, as forecast.

F. W. Thorpe steady

An increase from £273,717 to £396,342 in pre-tax profits is reported by F. W. Thorpe for the half year to December 31 1981.

Lossmaker Gartons radical re-structure

LOSSES OF £228,732 against profits of £21,581, were incurred by Gartons, the Merseyside agricultural seed merchant, in the half-year to June 30 1981.

The directors do not expect to pay any dividend in respect of the current financial year.

The directors say the group's structure has been radically altered to enable it to take full advantage of its goodwill within the agricultural community.

Royal in unit trust move

Royal Life Insurance, a member of the Royal Insurance Group, has announced its entry into the unit trust field, with two funds on offer—the Royal Life Equity Trust and the Royal Life International Trust.

Both trusts intend to be broadly based funds, one primarily in UK equities, the other investing widely around the world with initial emphasis on the U.S. and Japan.

U.K. CONVERTIBLE STOCKS 20/3/82

Table with columns: Name and description, Size (£m), Current price, Terms, Conversion dates, Flat yield, Red. yield, Current, Range, Equ., Conv., Div., Current. Lists British Land, Hanson, Slough, etc.

STATISTICS PROVIDED BY DATASTREAM INTERNATIONAL

Table with columns: Name and description, Size (£m), Current price, Terms, Conversion dates, Flat yield, Red. yield, Current, Range, Equ., Conv., Div., Current. Lists British Land, Hanson, Slough, etc.

M. J. H. Nightingale & Co. Limited

Table with columns: 1981-82, Company, Price Change, Gross Yield, Fully P/E. Lists companies like High Low, 129 10, 76 52, etc.

LOCAL AUTHORITY BOND TABLE

Table with columns: Authority, Annual Interest, Life gross pay, Minimum of interest, Life sum bond. Lists Knowsley, Rochford, etc.

MARTIN CURRIE & CO.

Table with columns: Geographical Spread, Total Assets less Current Liabilities, UK, North America, Japan, Other, Canadian & Foreign Inv. Tot., etc.

THE TRING HALL USM INDEX

Table with columns: 119.5 (+1.2), Close of business 19/3/82, BASE DATE 19/11/80 100, Tel: 01-638 1591.

"PENNY SHARES"

Table with columns: Penny Share, Price, Dividend, Yield, etc. Lists companies like Blyth, etc.

Advertisement for H. Albert de Bary & Co. N.V. featuring the text 'Today's investor needs a banker he can depend on!' and 'THEREFORE MAY RIGHTFULLY REFER TO THEMSELVES AS: INVESTMENT ADVISERS...' along with a logo and contact information.

LADBROKE INDEX

Table with columns: Close 561-966 (+6)

THE TRING HALL USM INDEX

Table with columns: 119.5 (+1.2), Close of business 19/3/82, BASE DATE 19/11/80 100, Tel: 01-638 1591.

"PENNY SHARES"

Table with columns: Penny Share, Price, Dividend, Yield, etc. Lists companies like Blyth, etc.

Companies and Markets

WORLD STOCK MARKETS

Early irregularity on Wall St

NEW YORK

Table listing various stocks and their prices, including columns for Stock, Mar 18, Mar 17, Mar 16, Mar 15, Mar 14, Mar 13, Mar 12, Mar 11, Mar 10, Mar 9, Mar 8, Mar 7, Mar 6, Mar 5, Mar 4, Mar 3, Mar 2, Mar 1.

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THE MARKET turned mixed in moderate trading on Wall Street yesterday when investors moved to the sidelines ahead of the weekly Money Supply figures, to be released after close.

By 1 pm the Dow Jones Industrial Average was off 1.05 to 304.22, reducing its gain on the week to 6.85, while the NYSE All Common Index at 363.53, rose 7 cents on the day and 51.01 on the week.

Analysts said investors are reluctant to commit themselves to the market ahead of the Money Supply, which is projected to be up about \$1bn to \$2bn.

In the past weeks stocks have dropped sharply on the Monday after a gain in the Money Supply, and analysts said investors do not want to be caught in a similar sell-off next week.

Also weighing on the Stock Market was a Commerce Department Estimate, reported by Administration sources that first quarter Real GDP will decline at an annual rate of 4.5 per cent.

Analysts attributed some gains to bargain hunting and short-covering but also said the mid-fade if no positive developments regarding the curtailing of oil production comes out of the OPEC meeting in Vienna.

Most issues showed only fractional price changes. Holly Sugar, at \$45, was the biggest loser, losing \$2 1/2 after its \$11 1/2 fall Thursday.

Other losers included the Civil Aeronautics Board said the airline may not be able to turn a profit.

Closing Prices for North America were not available for this edition.

its South American routes over the Pan Am, as proposed earlier this week.

THE AMERICAN SE Market Value Index rose 1.87 to 288.17, making a rise of 8.23 on the week. Volume 2.17m shares.

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Financial Times Saturday March 20 1982

INTERNATIONAL COMPANIES and FINANCE

Standard Chartered Malaysian bank move

By Wong Sulong in Kuala Lumpur. CHARTERED BANK, of the UK, the biggest of the foreign banks in Malaysia...

Government proposal for Boussac-Saint Freres

BY DAVID WHITE IN PARIS. A PLAN involving indirect State control is to be proposed for Boussac-Saint Freres...

Armo warns of drop in net income

By David Lascelles in New York. ARMO, the large U.S. steel company, warned yesterday that the uncertain U.S. economic outlook...

Strong advance at operating level for Sea Containers

BY OUR FINANCIAL STAFF. PROFITS rose last year at Sea Containers, the New York based group...

U.S. office products stake for Olivetti

By James Burton in Rome. OLIVETTI, the Italian data processing and office equipment maker...

Chartered said yesterday that it had conveyed its plans to the Malaysian central bank...

Swiss retailer to raise dividend

BY JOHN WICKS IN ZURICH. GRAND MAGASINS JELMOLI, the parent company of the Swiss department store group...

Operating profits of Jelmoli improved by 5.4 per cent to SwFr 65.9m...

It pointed out, however, that as the Malaysian operations formed part of the Global network...

Interim earnings decline by 19% at Burns, Philp

BY GRAEME JOHNSON IN SYDNEY. BURNS, PHILP, the diversified Australian trading company, has reported a 19.6 per cent fall in interim net earnings...

Operating profits of Burns, Philp declined by 19.6 per cent to A\$57.2m...

However, there since has also been softening in the market for energy-related tubular steel goods...

Poor results from two Swedish paper groups

BY WESTERLY CHRISTNER IN STOCKHOLM. TWO SWEDISH paper companies, MoDo and Södra Skogssjöns, have reported poor results for 1981...

MoDo experienced a sharp predicted pre-tax earnings drop to Skr 25m...

Portuguese debt reaches record \$10bn

By Diana Smith in Lisbon. PORTUGAL'S FOREIGN debt has reached \$10bn, with one-third in short-term loans...

The group was hit with high extraordinary costs including Skr 65m relating to increased borrowing costs...

Wheelock unit well ahead

By Robert Cottrell in Hong Kong. REALTY DEVELOPMENT Corporation, a member of the Wheelock Marden group...

The directors also propose a special capital bonus of 70 cents per A share and 14 cents per B share...

As part of the Government's pressure, foreign banks are no longer allowed to open new branches...

The company blamed the decline in a rise in interest rates to A\$21.06m from A\$15.85m because of increased borrowings...

Australian operations increased their contribution to group earnings in the first half and their results are expected to be satisfactory for the full year...

Portugal is now negotiating a \$300m syndicated loan, but is unlikely to secure the very fine terms for which it has pressed...

Extraordinary income was Skr 198m against Skr 54m, reflecting the sale of hydro-electric plants and forests...

The outcome was consistent with the forecast made by Mr Göran Ekelund, managing director...

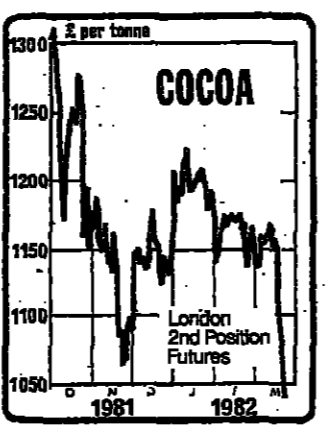
The directors also propose a special capital bonus of 70 cents per A share and 14 cents per B share, costing a total of HK\$141.5m.

COMMODITIES/REVIEW OF THE WEEK

Cocoa support boost disappoints market

BY OUR COMMODITIES STAFF. THE INTERNATIONAL Cocoa Organisation (ICCO) announced yesterday that it had accepted an offer from a group of three Brazilian banks...

The May position ended at \$1,039.5 a tonne, down \$37 yesterday and \$116 on the week. Dealers noted that at current prices, which are below the 'floor' level...



position on the London futures market ended \$103 down at \$1,039.5 a tonne. The weak market tone was encouraged by a U.S. Department of Agriculture forecast...

BASE METALS

BASE-METAL PRICES were little changed on the London Metal Exchange. Tin dipped to \$7,360, three months, but rallied to close at \$7,387.5 ahead of the results of the ITC meeting...

SILVER

Silver was fixed 5.25p an ounce lower for spot delivery in the London Metal Exchange. The U.S. cent equivalents of the fixing levels were spot 700, down 13c...

AMERICAN MARKETS

NEW YORK, March 19. PRECIOUS METALS came under heavy pressure from overnight prodding selling in Europe...

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Metals, Wheat, Spices, Oil, Beans, etc. Columns include Latest, Change on week, Year ago, and High/Low.

TIN

Table showing tin prices for High Grade, Standard, and other categories with prices per tonne.

COPPER

Table showing copper prices for High Grade, Standard, and other categories with prices per tonne.

ZINC

Table showing zinc prices for High Grade, Standard, and other categories with prices per tonne.

COFFEE

Table showing coffee prices for Arabica and Robusta with prices per 50kg bag.

GAS OIL FUTURES

Table showing gas oil futures prices for various grades and time periods.

SOYABEAN MEAL

Table showing soyabean meal prices for various grades and time periods.

COCOA

Table showing cocoa prices for different grades and time periods.

COFFEE

Table showing coffee prices for Arabica and Robusta with prices per 50kg bag.

GAS OIL FUTURES

Table showing gas oil futures prices for various grades and time periods.

RUBBER

Table showing rubber prices for different grades and time periods.

INDICES

Table showing various market indices like Dow Jones, FTSE 100, etc.

MEAT/VEGETABLES

Table showing prices for various meat and vegetable products.

REUTERS

Table showing Reuters market data and prices for various commodities.

WOOL FUTURES

Table showing wool futures prices for various grades and time periods.

POTATOES

Table showing potato prices for different varieties and time periods.

Stock Exchange Dealings

The list below, restricted mainly to ordinary and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List...

The price is not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the lowest recorded business done during the previous four business days is given with relevant details appended.

Barley at special prices: A barleys done with a non-member or entered in course of liquidation. O-Barleys done with a non-member...

BANKS, DISCOUNT (689)

Alexanders Discount (52) 219 20 4
Alfred Holt Bank (152) 78 50 1 2 3
Bank of New South Wales (102) 9 50 6 6

BREWERIES (424)

Allen-Leeds Brewery (100) 154 3 4 5
Anchor Brewery (100) 154 3 4 5
Beck's Brewery (100) 154 3 4 5

COMMERCIAL (8,644)

AAA Industries 35
AAR 3 4
AA Electronic Products Gr. 113

DEVELOPMENT (104)

Bechtold 35
Bechtold (100) 154 3 4 5
Bechtold (100) 154 3 4 5

DRUGS (104)

Bechtold 35
Bechtold (100) 154 3 4 5
Bechtold (100) 154 3 4 5

MANUFACTURING (104)

Bechtold 35
Bechtold (100) 154 3 4 5
Bechtold (100) 154 3 4 5

MINING (104)

Bechtold 35
Bechtold (100) 154 3 4 5
Bechtold (100) 154 3 4 5

PROPERTY (104)

Bechtold 35
Bechtold (100) 154 3 4 5
Bechtold (100) 154 3 4 5

TRANSPORT (104)

Bechtold 35
Bechtold (100) 154 3 4 5
Bechtold (100) 154 3 4 5

E-F

E-B Electronics (100) 154 3 4 5
E-C Chemicals (100) 154 3 4 5

G-H

G-I Gas (100) 154 3 4 5
G-J Glass (100) 154 3 4 5

I-K

I-L Iron (100) 154 3 4 5
I-M Machine (100) 154 3 4 5

M-N

M-O Metals (100) 154 3 4 5
M-P Paper (100) 154 3 4 5

Q-R

Q-S Quartz (100) 154 3 4 5
Q-T Textile (100) 154 3 4 5

U-V

U-W Utilities (100) 154 3 4 5
U-X Upland (100) 154 3 4 5

Y-Z

Y-AA Yarn (100) 154 3 4 5
Y-AB Yards (100) 154 3 4 5

W-X-Y

W-XX Wheat (100) 154 3 4 5
W-XY Yards (100) 154 3 4 5

Z

Z-Z Zinc (100) 154 3 4 5

UNIT TRUSTS (300)

Albion Unit Trust 154 3 4 5
Albion Unit Trust 154 3 4 5

FINANCIAL TRUSTS (300)

Albion Finance Trust 154 3 4 5
Albion Finance Trust 154 3 4 5

INSURANCE (417)

Albion Insurance 154 3 4 5
Albion Insurance 154 3 4 5

MINES-Miscellaneous (457)

Albion Mines 154 3 4 5
Albion Mines 154 3 4 5

PLANTATIONS (36)

Albion Plantations 154 3 4 5

UNIT TRUSTS (15)

Albion Unit Trust 154 3 4 5
Albion Unit Trust 154 3 4 5

FINANCIAL TRUSTS (15)

Albion Finance Trust 154 3 4 5
Albion Finance Trust 154 3 4 5

INSURANCE (15)

Albion Insurance 154 3 4 5
Albion Insurance 154 3 4 5

MINES-Miscellaneous (15)

Albion Mines 154 3 4 5
Albion Mines 154 3 4 5

PLANTATIONS (15)

Albion Plantations 154 3 4 5

UNLISTED SECURITIES (200)

Albion Unlisted 154 3 4 5
Albion Unlisted 154 3 4 5

UTILITIES (18)

Albion Utilities 154 3 4 5
Albion Utilities 154 3 4 5

RAILWAYS (5)

Albion Railways 154 3 4 5
Albion Railways 154 3 4 5

SHIPPING (25)

Albion Shipping 154 3 4 5
Albion Shipping 154 3 4 5

MARKET (200)

Albion Market 154 3 4 5
Albion Market 154 3 4 5

Cluff Oil sets up Australian company
Cluff Oil of the UK proposes to establish a company in Australia to be called Cluff Oil (Pacific). Cluff Oil share and option holdings in Cluff Oil (Australia) will be transferred to this new company.

Cluff Oil sets up Australian company
Energy to be given a preferential opportunity to subscribe for shares in Cluff Oil (Pacific) when it is publicly floated.

Cluff Oil sets up Australian company
As a result of Hartogen's acquisition of a large shareholding in the agreement between Cluff Oil and Cluff Oil (Australia), by which Cluff Oil provides Cluff Oil (Australia) with technical assistance and offers a minimum of 10 per cent in any applications for exploration licences or licences will be cancelled.

Cluff Oil sets up Australian company
The non-Australian interests, Cluff Oil (Australia) NL, mainly situated in the Far East, U.S., UK and France will be transferred to Cluff Oil (Pacific). Ord Minnett and Martin Corporation Limited will be appointed as financial advisers to Cluff Oil (Pacific).

Table of financial data including company names and stock prices.

Table of financial data including company names and stock prices.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Large table listing various unit trusts and their performance metrics.

RULE 163 (1) (c)

Table listing securities quoted or listed on an overseas stock exchange.

RULE 163 (2) (a)

Table listing applications granted for specific securities not listed on any stock exchange.

RULE 163 (1) (e)

Table listing securities quoted or listed on an overseas stock exchange.

RULE 163 (2) (b)

Table listing applications granted for specific securities not listed on any stock exchange.

MONEY MARKETS

London clearing bank base lending rate 13 per cent (since March 12)

EXCHANGES AND BULLION

The dollar improved in currency markets yesterday as Euro-dollar rates rose slightly ahead of the weekly U.S. money supply figures.

THE POUND SPOT AND FORWARD

Table showing exchange rates for the pound spot and forward.

GOLD

Table showing gold prices in various currencies.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits.

UK SPECIALIST FUNDS

Table listing UK specialist funds and their performance.

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for 3 and 6 months U.S. dollars.

CURRENCY MOVEMENTS

Table showing percentage changes in various currencies.

LONDON MONEY RATES

Table showing London money rates for various currencies.

OTHER CURRENCIES

Table showing exchange rates for other major currencies.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates.

OTHER CURRENCIES

Table showing exchange rates for other major currencies.

Large table listing various unit trusts and their performance metrics.

Handwritten signature or mark at the bottom of the page.

FINANCIAL TIMES STOCK INDICES

Table of stock indices for March 19, 1982, including Government Bonds, Fixed Interest, Industrial, and Gold Mines.

HIGHS AND LOWS S.E. ACTIVITY

Table showing high and low stock prices and S.E. activity for various sectors like Govt. Bonds, Fixed Int., and Industrial.

NEW HIGHS AND LOWS FOR 1981/2

Table listing new highs and lows for 1981/2 across various stock categories.

RISES AND FALLS

Table showing daily rises and falls in stock prices for various categories.

ACTIVE STOCKS

Table listing active stocks with their closing prices and changes.

THURSDAY'S ACTIVE STOCKS

Table detailing Thursday's active stocks and their performance.

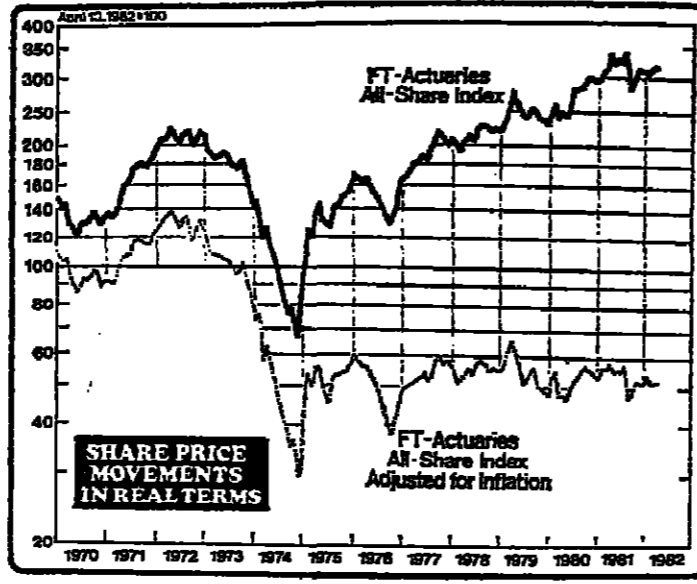
5-DAY ACTIVE STOCKS

Table showing the performance of active stocks over a five-day period.

LONDON STOCK EXCHANGE

Marked slowdown in inflation boosts market confidence Gilts good but below best—Equity index up 5.9

Account Dealing Dates: First Declared Last Account Day, Mar 11 Mar 11 Mar 22 Mar 22 Mar 25 Mar 25 Apr 3 Apr 3 Apr 15 Apr 16 Apr 26



rise on the week of 13 to 161p. United, due to reveal preliminary results next Thursday, closed 8 higher at 173p. Elsewhere, Mills and A&E International were a volatile market following the half-time figures and moved between extremes of 533p and 505p before settling 11 lower on balance at 517p.

The continuing slowdown in the annual rate of inflation as indicated by February's UK retail price index gave fresh confidence to London stock markets yesterday and set the seal for a firm finish to the week's trading.

Still overshadowed by the dismal preliminary figures, Turner and Newall lost 3 for a relapse on the week of 26 to 70p. Unilever gained 10 to 655p, while Metal Box improved 4 to 176p as did Reckitt and Colman, to 289p.

With the notable exception of the Bermuda-registered Petrochem, which advanced 13 to 345p ahead of the half-year results which were announced after market hours.

Encouraged by the firm overnight performance on Wall Street, leading shares opened on a firm note and moved ahead further in the wake of the already advanced Gilt-edged. Despite a continuing low volume of business, the tone held firm throughout the session and prices closed only marginally below the best.

Comment on the results left GKN a penny harder at 164p among quietly firm Engineering majors. The value of Valeser and John Brown hardened a penny to 60p.

South African Gold closed the week on an erratic note, with initial strong gains, prompted by overnight American demand, being eroded by the downturn in the bullion price.

Oil shares staged a rally on some good buying prompted by hopes that the Opec oil ministers will sanction a sharp cutback in crude production in order to maintain current prices.

Publicity given to a broker's recommendation prompted support for Tesco, which firm 2 to 63p, while occasional demand lifted J. Salisbury 5 to 870p.

Traded options ended the week on a disappointing note reflecting the paucity of business in the equity market.

Amersham attracted fresh support and firm 3 to a peak of 197p compared with the recent issue price of 142p.

Motorists were irregular. In contrast, second thoughts on the annual results and capital proposals clipped 3 from Supra, 50p.

On the other hand, falls of a similar amount were common to Randfontein, £20 and Winkelbaak, £11.

George Oliver jump

Euro. Ferries up

Covering a bear position prompted a slightly firmer tone among leading Stores.

Quietly firm conditions persisted in leading Foods. Cadbury Schweppes improved another couple of pence to 99p.

Shoes hardened. Pittard, which announced a return to profits on Tuesday, added 2 for a gain on the week of 7 to 64p.

Leading Electricals brought the week to a firm close. Renewed investment support helped quotations to improve from the outset and closing gains ranged to double-figures.

A firm and lively Insurance sector stood out with a jump of 14 to 387p, while BICC added 10 to 340p ahead of Wednesday's preliminary figures.

Leading Metals and Caterers were quietly firm. Grand Metropolitan improved 4 to 204p and Trusthouse Forte 3 to 119p.

Midland rise

FT-Actuaries Share Indices

Table of FT-Actuaries Share Indices for various equity groups and sub-sections as of March 19, 1982.

Table of FT-Actuaries Share Indices for various equity groups and sub-sections as of March 19, 1982.

FIXED INTEREST

AVERAGE GROSS REDEMPTION YIELDS

Table of Fixed Interest yields for various categories like British Government, Insurance, and Other Groups.

Table of Average Gross Redemption Yields for various categories like British Government, Insurance, and Other Groups.

LEADERS AND LAGGARDS

Table showing percentage changes since December 31, 1981, for various stock categories.

RECENT ISSUES

Table listing recent issues of stocks with their prices and details.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with their prices and details.

"RIGHTS" OFFERS

Table listing rights offers for various stocks.

OPTIONS

Table listing options for various stocks and their prices.

LONDON TRADED OPTIONS

Table listing London traded options for various stocks and their prices.

CONSTITUTIONAL CHANGE: Wood Hall Trust (Miscellaneous) has been deleted and replaced by American International (Health and Household Products). NAME CHANGE: Spring Grove Services is now Spring Grove (Miscellaneous). Comet Radiovision Services is now Comet Group (Stores).





# FT SHARE INFORMATION SERVICE

## FOOD, GROCERIES—Cont.

### BRITISH FUNDS

1981-82 High Low Stock Price % Chg. Div. Yield

Table listing various British funds including 'Shorts' (lives up to five years), Five to Fifteen Years, and Over Fifteen Years. Columns include fund names, stock prices, and performance metrics.

### LOANS—Continued

Table of financial data for various loan categories, including 'Financial' and 'Building Societies'. Columns include stock prices and percentage changes.

### BANKS & H.P.—Cont.

Table listing various banks and hire purchase companies with their respective stock prices and performance.

### CHEMICALS, PLASTICS—Cont.

Table listing various chemical and plastic companies with their stock prices and performance.

### ENGINEERING—Continued

Table listing various engineering companies with their stock prices and performance.

### FOREIGN BONDS & RAILS

Table listing foreign bonds and rail stocks from various countries, including the UK, Europe, and Asia.

### AMERICANS

Table listing American stocks, including various industrial and service sector companies.

### DRAPERY AND STORES

Table listing various drapery and store companies with their stock prices and performance.

### HOTELS AND CATERERS

Table listing various hotels and caterers with their stock prices and performance.

### INDUSTRIALS (Miscel.)

Large table listing various industrial companies across multiple columns, including their stock prices and performance.

### Five to Fifteen Years

Table listing funds with a five to fifteen year investment horizon.

### Over Fifteen Years

Table listing funds with an investment horizon of over fifteen years.

### Undated

Table listing undated funds.

### Index-Linked & Variable Rate

Table listing index-linked and variable rate funds.

### INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table listing international bank and overseas government sterling issues.

### CORPORATION LOANS

Table listing various corporation loans.

### BEERS, WINES AND SPIRITS

Table listing various beer, wine, and spirit companies.

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Table listing various beer, wine, and spirit companies.

### AMERICANS

Table listing American stocks.

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Table listing American stocks.

### DRAPERY AND STORES

Table listing various drapery and store companies.

### HOTELS AND CATERERS

Table listing various hotels and caterers.

### INDUSTRIALS (Miscel.)

Table listing various industrial companies.

### COMMONWEALTH AND AFRICAN LOANS

Table listing various Commonwealth and African loans.

### BANKS AND HIRE PURCHASE

Table listing various banks and hire purchase companies.

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Table listing various banks and hire purchase companies.

### ELECTRICALS

Table listing various electrical companies.

### ELECTRICALS

Table listing various electrical companies.

### FOOD, GROCERIES, ETC.

Table listing various food, grocery, and other companies.

### LOANS

Table listing various types of loans.

### BANKS AND HIRE PURCHASE

Table listing various banks and hire purchase companies.

### BANKS AND HIRE PURCHASE

Table listing various banks and hire purchase companies.

### CHEMICALS, PLASTICS

Table listing various chemical and plastic companies.

### CHEMICALS, PLASTICS

Table listing various chemical and plastic companies.

### ENGINEERING MACHINE TOOLS

Table listing various engineering and machine tool companies.

## A FINANCIAL TIMES SURVEY

### PERSONAL FINANCIAL PLANNING

17 APRIL 1982

The Financial Times is planning to publish a survey on Personal Financial Planning. The provisional date and editorial synopsis are set out below.

**INTRODUCTION** Persistently high real returns have forced investors to change their habits. Growing attention paid to short-term instruments and specialised funds, such as currency and commodity syndicates. Investor protection—a look at the Department of Trade's new rules for licensed dealers and professor Gower's report.

Editorial coverage will also include:

- REDUNDANCY
- INTERNATIONAL INVESTMENT
- BUYING A HOUSE
- EXPATRIATES
- PLANNING FOR A LIFETIME
- INDEX-LINKED INVESTMENTS

Copy date: 2nd April 1982

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The size, contents and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.



Financial Times Saturday March 20 1982

INDUSTRIALS—Continued

Table of industrial stocks including Johnson & Johnson, Amgen, and various pharmaceutical and chemical companies. Columns include stock name, price, and percentage change.

LEISURE—Continued

Table of leisure stocks including Leisure, Leisure World, and other recreational companies. Columns include stock name, price, and percentage change.

PROPERTY—Continued

Table of property stocks including property investment trusts and real estate companies. Columns include stock name, price, and percentage change.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including various equity and income trusts. Columns include trust name, price, and percentage change.

OIL AND GAS—Continued

Table of oil and gas stocks including energy companies and oilfield services. Columns include stock name, price, and percentage change.

MINES—Continued

Table of mining stocks including various metal and coal mines. Columns include stock name, price, and percentage change.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including automotive and aerospace companies. Columns include stock name, price, and percentage change.

SHIPPING

Table of shipping stocks including maritime companies. Columns include stock name, price, and percentage change.

SHOES AND LEATHERS

Table of shoes and leather stocks including footwear companies. Columns include stock name, price, and percentage change.

SOUTH AFRICANS

Table of South African stocks including various local companies. Columns include stock name, price, and percentage change.

TEXTILES

Table of textile stocks including clothing and fabric companies. Columns include stock name, price, and percentage change.

OVERSEAS TRADERS

Table of overseas trader stocks including international trading companies. Columns include stock name, price, and percentage change.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including media companies. Columns include stock name, price, and percentage change.

PAPER, PRINTING

Table of paper and printing stocks including publishing and printing companies. Columns include stock name, price, and percentage change.

TOBACCO

Table of tobacco stocks including tobacco companies. Columns include stock name, price, and percentage change.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including various financial and real estate trusts. Columns include stock name, price, and percentage change.

TEAS

Table of tea stocks including tea companies. Columns include stock name, price, and percentage change.

MINES

Table of mining stocks including various metal and coal mines. Columns include stock name, price, and percentage change.

INSURANCE

Table of insurance stocks including various insurance companies. Columns include stock name, price, and percentage change.

PROPERTY

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FINANCE, LAND, ETC.

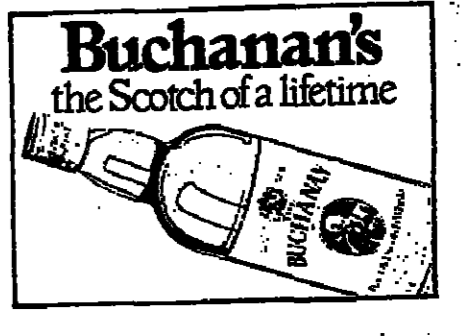
Table of finance, land, and other stocks including various financial and real estate companies. Columns include stock name, price, and percentage change.

OIL AND GAS

Table of oil and gas stocks including energy companies and oilfield services. Columns include stock name, price, and percentage change.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including precious metal companies. Columns include stock name, price, and percentage change.



MINES—Continued

Table of mining stocks including various metal and coal mines. Columns include stock name, price, and percentage change.

OVERSEAS TRADERS

Table of overseas trader stocks including international trading companies. Columns include stock name, price, and percentage change.

RUBBERS AND SISALS

Table of rubber and sisal stocks including commodity companies. Columns include stock name, price, and percentage change.

TEAS

Table of tea stocks including tea companies. Columns include stock name, price, and percentage change.

MINES

Table of mining stocks including various metal and coal mines. Columns include stock name, price, and percentage change.

REGIONAL MARKETS

Table of regional market data including stock prices and indices for various countries. Columns include region, stock name, price, and percentage change.

OPTIONS

Table of options data including call and put options for various stocks. Columns include stock name, option type, price, and percentage change.

RECENT ISSUES AND RIGHTS

Table of recent issues and rights data including new stock issues and rights offerings. Columns include company name, issue type, price, and percentage change.

A selection of Options listed is given on the London Stock Exchange page 22

This service is available to every Company dealt in on the London Stock Exchange for a fee of £500 per annum for each Company

MAN IN THE NEWS

From tea boy to the top

BY ANDREW TAYLOR

H. W. A. (BILL) FRANCIS started work in 1943 as a 16 year old tea boy on a Clyde-side construction site...

Mr Francis is a considerable figure in the construction industry. He has, however, known sharp ups and downs in his career during the past five years.



Mr H. W. A. 'Bill' Francis

the time it was suggested that he was carrying the can for Tarmac's heavy losses in Nigeria following its acquisition of Holland Hannen and Cubitts in 1976.

It is a tag that Bill Francis resents. He says that his departure was fought on by personality clashes between himself and the then Tarmac chairman Robin Martin...

Mr Francis is a man who gives and receives a great deal of loyalty from his staff and is still regarded with respect and some fondness by former colleagues at Tarmac.

Mr Francis places particular store on the time he spent as a member of the Export Credit Advisory Board. "The importance of arranging credit on the right kind of terms cannot be understated," he says.

Bill Francis, however, says that the ultimate key to winning a major £215m contract lies with the quality of the "team" and the support work required to establish an all important rapport with the client.

OIL PRODUCERS MOVE TO PROTECT PRICE

Opec drops output ceiling

BY RICHARD JOHNS IN VIENNA

THE Organisation of Petroleum Exporting Countries last night agreed to cut its oil production ceiling by 2m barrels a day to 18m b/d to maintain the benchmark price of crude at \$34 a barrel.

Sheikh Ahmed Zaki Yamani, the Saudi Oil Minister announced the move in Vienna last night, after giving indications that a deal would be a long way off.

Opec's total production at present is thought to be 18.2m b/d. Early discussions yesterday were wholly concerned with output levels and no proposals had been made about reducing prices.

Nigeria, the country most likely to succumb to market pressures retained in the morning session in London a threat to bring its \$38.58 price closer to the \$31 being charged

by the British National Oil Corporation (BNOC) for North Sea crude. In stark contrast to the general expressions of optimism aired here by ministers about the outcome of the conference, senior delegates seemed to be floundering in confusion, not least because they were unable to agree what their output in recent weeks had been.

Iran refuses to discuss the question because of its conflict with Iraq, and Saudi Arabia apparently has been less than specific in declaring its output.

Compounding the problem has been Saudi Arabia's adherence to its traditional policy of not discussing its level of production with other members of Opec.

In the circumstances it was not surprising that early negotiations failed to produce agreement on the daily production rate required to support the creaking Opec price structure.

But some indication of the scale of the confusion was given yesterday morning by Mr Tayeb Abdul-Karim, Iraq's Minister of Oil, who said the cutback needed could be anything from 1m to 1.5m barrels a day, maybe 2m barrels a day.

Opec is faced with the difficulty of calculating how quickly the oil companies will run down their stocks in the second quarter. Estimates vary from 3m to 5m b/d.

However, whatever members decide on, the market for oil is unlikely to harden significantly until August.

One leading official summed up Opec's predicament: "We can't decide how big the cake is at the moment, by how much it should be diminished, and

finally how it should be carved up." Speculation continued among delegates about how firmly Saudi Arabia was committed to maintaining the \$34 reference price.

Sheikh Ahmed Zaki Yamani, the Saudi Oil Minister, has insisted that this is the kingdom's policy.

However, it is also known that Saudi Arabia believes \$34 is too high in present market conditions.

Indications were that some sort of compromise aimed at least at presenting the semblance of maintaining Opec's solidarity and unity would be reached some time today.

But the emergency meeting may have to be called at least at a scheduled ordinary conference in Quito, Ecuador, set to begin on May 20.

Bad-debt provisions hit Midland Bank results

BY WILLIAM HALL, BANKING CORRESPONDENT

MIDLAND BANK, last of the Big Four banks to report its 1981 results, announced unchanged pre-tax profits of £202.2m yesterday which contrasted with increases ranging from 8 to 33 per cent from the rest of the big banks.

Midland, which announced its 1981 results only a day after it called in the receiver at Stone-Platt Industries, is traditionally more reliant on the fortunes of British industry. It said yesterday that its profits had been "severely affected" by a £113.5m provision for bad debts.

The provision is the highest of the banks, which set aside £581m in total last year. Rather surprisingly, Midland's parent clearing bank operation benefited from lower bad debt levels. Higher provisions in Forward Trust, the finance house operation, Northern Bank,

Table: THE BIG FOUR BANK PROFITS - 1981. Columns: Bank, Pre-tax £m, Growth %.

and the international banking division hit the bank" Mr Stuart Graham, the group chief executive, said that the bad debt provisions "savagely reduced" the group's profit performance, but at trading level the increase in the bank's profits was better than Barclays and National Westminster.

He reacted strongly to suggestions that Midland called in the receiver too early at Stone-Platt. He was proud of the

bank's record of support for industry, but "if a company needs equity it is not a clearing bank's job to put it in."

Trading profits rose by 16 per cent. The domestic banking operation increased its profit contribution before tax and loan interest from 55 to 62 per cent. The international contribution fell from 45 to 38 per cent.

The group increased international lending by 53 per cent last year. This excludes the impact of Crocker, acquired in October, giving the group combined assets of £11.0bn, marginally behind NatWest with £43bn and Barclays, £49bn.

It increased dividend by 12 per cent to a total of 24p a share. This, with results marginally better than some pessimists feared, sent shares 12p higher to 348p.

Details Page 16

Pressures 'easing' on European currencies

By Our Foreign and Financial Staff

THE U.S. dollar continued to move higher on the world's foreign exchange markets yesterday but there were signs that the speculative pressure which had been building up on some of the weaker European currencies, in particular the French franc, was starting to ease.

Against the Japanese currency, the dollar rose from ¥242.0 to ¥244.1, its highest level since early August. The dollar was higher against the D-mark at DM 2.830 and the Swiss franc at Sfr 1.8970, against 2.3740 and Sfr 1.8850 on Thursday.

The pound slipped below \$1.90 to close at \$1.7995 but the main focus was on the continental currencies and the dollar's trade-weighted index, as measured by the Bank of England, rose by 0.4 to 114.7 its highest level since last summer.

Speculative pressure on the French franc eased in Paris yesterday afternoon, but only after the D-mark and dollar had climbed above the record levels reached on Thursday. The D-mark finished the day at Ffr 2.6139 against Ffr 2.6059.

having touched Ffr 2.6175. The dollar rose to Ffr 6.2265 compared with Ffr 6.185 on Thursday but in late dealings in London fell back to Ffr 6.1975.

The pound eased back from D-Mark 4.30 to D-Mark 4.2950 and fell from Ffr 11.22—its highest level for many months—to Ffr 11.16 against the French currency.

In Belgium the Belgian franc remained under heavy pressure yesterday in spite of continued support believed to have cost the Banque Nationale de Belgique more than Bfr 9bn.

Eurodollar interest rates were slightly firmer yesterday with the three month rate rising 1/8 to 15 1/8 per cent.

In London, equities and gilt-edged prices moved higher with interest focused on the new 3 per cent Treasury 1988 index-linked stock which was allotted at 197.50 yesterday. The price gives an effective yield of 3 1/2 per cent and is roughly in line with comparable yields on other index-linked stocks in the market.

Reaction to the new proposals was enthusiastic, although the Stock Market had discounted the changes.

Details Page 16

Fleming in unit trusts move

BY TIM DICKSON

PROPOSALS to turn three investment trust companies, worth £130m, into unit trusts were announced yesterday by the investment arm of Robert Fleming, the major UK merchant bank.

The combined value of these companies' assets is equivalent to a fifth of the investment trust assets managed by Fleming and about one and a half per cent of the £9bn investment trust sector.

Investment trusts are publicly quoted companies which invest in others. For some years now shareholders in such trusts have

been faced with the problem of the discount—the price of the trust's own shares being lower than the underlying assets it represents. The value of a unit trust's units on the other hand are directly related to the value of the shares in its portfolio.

Yesterday's announcement follows an attempt by Fleming last December to reorganise the 13 investment trusts under its management. Those proposals, however, which involved the merging of seven companies into three, were considered inadequate by leading institutional shareholders.

The new scheme involves the unitisation of London and Montrose, London and Provincial and the United States and General Corporation.

Four other trusts—Capital and National, Guardian, London and Holyrood and Sterling—will be renamed and will concentrate on more specific investment objectives. In London and Holyrood's case, the assets will be deployed worldwide.

Reaction to the new proposals was enthusiastic, although the Stock Market had discounted the changes.

Details Page 16

will be very sharply down from now on.

The net loss was reached after charging depreciation of £13m (£107.5m in 1980).

Vehicle production fell to 517,000 units (548,000) and truck sales dropped to 325,000 (357,000).

The cars operations (including Unipart) showed a trading loss of £165m last year compared with £233m in 1980 while the Leyland Group (trucks and buses) saw its loss jump from £30m to £74m at the trading level.

Cash flow was better than planned due to a combination of stringent cost controls, improved stock control and a reduction in the cost of capital expenditure.

Disposals raised £53m against the targeted £40m and "this involved a great deal of effort to ensure that optimum prices were achieved."

Weather

UK TODAY

COLD. Rain in most places but sunny intervals. North England, Midlands E. CLOUDY. Scattered showers. Wind light to moderate. Max 9C (46F).

S.W. N.W. England, Midlands W., Wales, Northern Ireland. Sunny periods developing. S.W. N.W. Scotland. Mainly dry. Sunny periods. Wind light or moderate. Max 9C.

Outlook: Mainly dry. Rain in the West.

WORLDWIDE

Table: Worldwide weather forecast. Columns: Location, Y'day, F'day, Y'day, F'day.

Continued from Page 1

Edwards fears being 'a handicap' to BL

Sir Michael also confirmed that job losses should cease at the end of this year. The only jobs to go in 1982 should be those already announced, including 5,000 to 6,000 in the cars division and 3,000 (out of the 4,100 indicated last November) from the bus and truck operations.

Group sales last year fell from £2.87bn to £2.868bn. Direct exports, included in the total, were held at £884m last year against £880m.

Interest payments fell from £93.6m to £93.3m to give a loss before tax down from £387.5m to £332.9m.

Extraordinary items in 1981 cost £152m—including £96m for redundancy payments—compared with £139m in 1980.

BL has included in the 1981 figures the cost of closures announced last year which will take place in 1982. So it will start this year with a clean slate and extraordinary costs

will be very sharply down from now on.

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Jenkin points up spending

BY MARGARET VAN HATTEN, POLITICAL STAFF

MR PATRICK JENKIN, the Industry Secretary, stressed the increases in this year's spending programme yesterday when he spoke of increased expenditure in nationalised industries and government construction.

Speaking at a Conservative Party meeting in St. Andrews, Mr Jenkin said capital investment by the nationalised industries was forecast at £7.6bn in 1982-83, a 23 per cent cash increase. This included a £2.4bn programme for British Telecom,

£1.8bn for electricity and nearly £1bn each for British Gas and the National Coal Board.

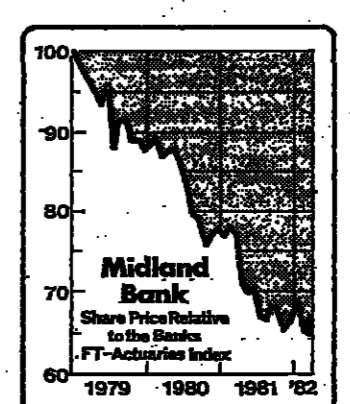
Capital investment by the nationalised industries greatly exceeds the £6.2bn revenues expected from North Sea oil, he added. He also drew attention to the Government's £10.3bn construction programme for 1982-83.

The theme of Mr Jenkin's speech was to demonstrate that spending on public-sector industry and construction

THE LEX COLUMN

Midland waits for Crocker lift

Index rose 5.9 to 562.7



Midland Bank has narrowly avoided the feared drop in 1981 profits by showing a fractional increase to £232.2m at the pre-tax level. This is still no cause for celebration. Profits are within a whisker of their 1978 level while, excluding Crocker, total assets have roughly doubled over the same period.

To use a crude comparison Lloyds has more than doubled its profit since 1978 on a slightly lower rate of asset growth.

This discrepancy has been fully reflected in Midland's share price. Even after yesterday's 12p rise to 348p and an increase of 11.6 per cent in the total dividend, the yield was just in double figures. But the 1981 results do provide some evidence that Midland has turned the corner.

Their most impressive feature is the containment of UK staff costs, which have risen 11.3 per cent. Sterling advances have grown by 8 per cent and UK trading profits are roughly back to the peak level of 1979.

The real disappointment is the rise in the charge for specific provisions outside the parent bank. It has increased by 70 per cent to £75.4m. Midland has had Laker and Poland to contend with but almost all the factoring losses at Crocker have been treated as pre-acquisition items and charged against reserves. So, if anything, the trend has been understated.

It would, however, take a considerable run of bad luck for the charge to rise again this year and Midland's international operations, less mature than those of its competitors, still have a long way to run. Crocker, which contributed virtually nothing after financing costs in the three months for which it was consolidated, should on its own lift Midland off the recent earnings plateau.

How long Midland can finance overseas growth without recourse to its shareholders is a very moot point. The balance sheet was in reasonable shape at the end of last year, showing a free capital ratio of 3.5 per cent but even so, a rights issue must be on the cards if the shareholders are to outperform the banking sector.

comfortably offset the trickle of unitisations and takeovers. There remains some embarrassment in the fact that Fleming has needed two attempts to get its reorganisation right. The group claims that major institutions were consulted before the original December scheme was floated, but it seems to have seriously underestimated the strength of shareholder feeling against trusts lacking a clear identity.

The degree to which Fleming has now accepted the principle of unitisation must put fear into the hearts of one or two other big investment trust groups which have not so far been challenged. Kleinwort Benson, with a clutch of sizeable trusts standing at substantial discounts, is one group which is felt to be particularly vulnerable.

Fleming, meanwhile, can take comfort from the fact that the once much maligned Investment Trust Units—the biggest unit trust run by its subsidiary Save and Prosper—could be in for an exciting ride.

AIM Group, the first company to come to the market since the American stampede, agonised over pricing its offer for sale of 4m shares. The company, which is being valued at £14.7m, is much smaller than Amerisham, and its primary business of supplying galley kitchens for aircraft lacks the glamour of radioactive isotopes. But entrepreneurs too are now aware that a very large pool of speculative rent-a-money stands ready to be deployed on an attractive new issue.

AIM's owners came to the City's notice briefly four years ago, when in a precursor to dawn sales, they quietly rounded up a 51 per cent stake in flagging aircraft interior supplier, W. Henshall. They have turned Henshall into a thriving concern, innovating in light-weight materials, building up exports and cutting reliance on sales to British Airways from 50 per cent to less than 10 per cent. AIM's profits are forecast to rise 29 per cent to £2.2m in the year to April, 1982.

All but £0.7m of the £5.6m being raised in the offer is being taken as an entrepreneurial reward but the balance-sheet and cash flow are strong. The fully taxed p/e of 13.6 at the 140p offer price probably leaves some room for a post-offer premium; but a stamped look unlikely.

The pace of change in the sector is undoubtedly quickening—exemplified not only by Fleming but by the recent proposals of another giant in the field, Touche Remnant—but the value of new issues over the past year has

THE BUDGET Four attractive ideas from Fidelity

The Budget produced some revolutionary proposals for savings and investments: Index-linked Gilts and the prospect of further falls in interest rates will, in our opinion, exaggerate the movement away from Building Societies and Bank deposits to the Gilt market generally.

The Capital Gains Tax changes will effectively mean the abolition of Capital Gains Tax for most investors. Fidelity offer four attractive ideas for investment after the Budget

1. 13% p.a. from Gilts, paid quarterly. Fidelity Gilt & Fixed Interest Trust has risen 14% so far this year and is leading UK Gilt fund for 1982 (source: Planned Savings). It is most likely that the introduction of more Index-linked Gilts will highlight the attractions of high yielding, traditional Gilts particularly if these become scarcer.

2. 9% p.a. from equities, paid quarterly and growing. Fidelity Maximum Income Equity Trust has shown an income growth of 30% and a capital growth of 35% since launch in November 1980 (figures at 18 March 1982). As income falls from other investments, the attractions of the high and growing income available from high yielding equities are increased.

3. Overseas investment with income. Special strategy described in Fidelity Investment Planning Note No. 2.

4. Investment in the U.K. recovery. The Budget has given a boost to industry, from which shares should benefit, by showing that the Government is succeeding in controlling inflation and interest rates. The portfolios of Fidelity's UK funds are already structured to emphasise those companies which will benefit most from the improving economic situation. See Fidelity Investment Planning Note No. 1.

For further information on these attractive ideas tick the boxes and post the whole advertisement, or telephone our Advisory Service on: 01-283 9911 or Freephone 2425. To: Fidelity International Management Limited 20 Abchurch Lane, London EC4N 7AL.



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